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LIBERAL POLICY.

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WITH

FOREWORD BY

The Rt. Hon.
H. H. ASQUITH, M.P.

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20, CAVENDISH SQUARE,

November, 1918.

WITH the passing of War and the coming of Peace an opportunity is presented to our people, such as has never occurred in our previous history, to place our social system upon foundations which will secure the widest freedom and justice for all classes and the greatest potential development of our national resources.

In the building of this New World upon the ruins of the Old, British Liberalism, with its great principle of equality of opportunity as the foundation of social justice, should play a guiding and inspiring part.

The successful solution of the problems of Social Reconstruction will depend upon our fidelity to Liberal and Democratic principles and our determination to make the new era to which we are looking forward one in which a humane and civilised life shall be within reach of every man, woman and child in the country.

In the following pages the various aspects of the problems of Social Reconstruction are surveyed and examined by some of the most experienced of my colleagues in the Liberal Party.

I warmly commend their conclusions to the consideration of all my fellow Liberals.

H. H. Asquith

842. Jan. 31. 1919

EDITOR'S NOTE.

This Handbook is published in the confident belief that it will help to show and explain the spirit in which Liberals come to the crucial and critical task of Political and Social Reconstruction.

Whilst it is almost certain that Liberals will unanimously approve the main proposals set forth in the Handbook, it is too much to expect that there may not be slight difference of opinion on some of the details. For that reason the various contributions are all signed by the Liberals severally responsible for them.

It must not be thought that the importance of the subject is to be measured by the space allotted to it. The object aimed at has been to explore in greater detail the new territory opened up by the coming of Peace after War.

C. G.

42, Parliament Street,

November, 1918

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I.—THE WAR AND THE PEACE.

BY THE RIGHT HON. HERBERT SAMUEL, M.P.

[The reader should bear in mind that this article was written just before the conclusion of the armistice with Germany.]

Liberalism and the War.

The purposes for which the Allies have been fighting in the war have made a powerful appeal to British Liberalism. They are, indeed, identical with principles which lie at the root of Liberal policy. Detesting war, rejecting the sinister doctrine that war is to be welcomed for the sake of the glory it may bring and the heroic qualities it evokes, holding passionately to the opposite doctrine that, on balance, war is a most evil thing, Liberals, not only in this country but almost throughout the world, have nevertheless thrown themselves whole-heartedly into this conflict. It is because they recognise that peace must rest on respect for international law; that international law exists only by virtue of the observance of treaties; that if one State openly flouts its treaty obligations and nevertheless prospers, the whole foundation of international amity is undermined and the edifice itself must sooner or later collapse; that the march of the German armies through Belgium was clearly such a case; and that, if it had been rewarded by success, it must have established the cynical doctrine of contempt for moral obligations and the supremacy of force as the dominant principle in the government of the world. It is because they recognise that militarism, whether on any particular occasion it respects treaties or not, is the irreconcilable enemy of the peaceful progress of peoples; that militarism is infectious; enthroned in one State it cannot fail to spread to neighbouring States, on account of their instinct of self-preservation; that Prussia was the organised expression of militarism in the modern world; and that if its fourth aggressive war resulted in the same triumph, but on a vaster scale, as the three previous aggressive wars it had waged in the last half century, the future of Europe was dark indeed.

As the conflict developed, and under the influence of the overthrow of Tsardom in Russia and of the entry of the United States, these underlying ideas came into clearer light. It became evident also that now, at last, there was a prospect of establishing in its completeness, as the one guiding rule in settling the map of Europe, that principle of nationality which, for a hundred years, had been the foundation of Liberal policy in international affairs. "Civil and religious liberty all over the world" was the old Whig maxim. The new and clumsy phrase "Self-determination of Peoples", inscribed upon the banners of the Russian Revolution and widely accepted, was nothing but the old Liberal principle, "National Liberty", writ large. It was seen that the same motives which led our Liberal forebears to support with enthusiasm the struggles of the Greeks to free themselves from Turkish

control, of the other Balkan peoples to escape from the same tyranny, of the Italians in the *risorgimento*, and of the Hungarians, under Kossuth, against the Austrians, must lead us in our day to give the same support to the Alsatians, the Southern Slavs, the Czechs and Slovenes, the Poles, the unredeemed Italians and Roumanians, the Armenians, the Arabs, in their efforts to escape from the domination of German, Magyar and Turk.

Security for the Future.

Still later, the emergence of the idea of the League of Nations into the foreground, through the influence, mainly, of President Wilson, finally displayed the essential Liberalism of the objects in view. For the League of Nations is nothing but the principle of International Arbitration, established universally, and with the addition of weapons for its own enforcement; and the principle of International Arbitration has been a Liberal doctrine, promoted in the face often of derision and sometimes of passionate hostility, ever since the days of Gladstone and the Alabama Treaty. And the idea of the League of Nations is itself intimately connected with the principle of nationality. It will be the essential purpose of the League to keep the peace. On what basis is the peace to be kept? On a basis of wrong? On the basis that people of one nationality are to be kept subject—by force—against their declared will—to the people of another? On such conditions the task that would face the councils of the League would be an impossible one. The League itself would be little better than the miscalled Holy Alliance of a century ago, which sought to establish a reign of peace on the basis of the then existing boundaries of States, although the existing boundaries of States did not themselves rest on a basis of justice. It has been well said that "Internationalism depends on satisfied nationalism."

So we arrive at a chain of ideas which has no break. If we wish for a permanent peace, we must establish the League of Nations. The League cannot be established with a fair prospect of success if it finds Europe with its problems of frontiers still unsolved. These problems can only be finally settled on the principle of national liberty. Such a settlement involves the overthrow of German, Austrian and Turkish domination over subject peoples, and that overthrow can only be accomplished by the defeat of the Central Powers in the war.

In addition to all these considerations, there was, from the beginning, the care, common to all parties, for our own national security. A Germany, triumphant on the Continent, and made more than ever aggressive by the fact of its triumph, would have been a lasting menace to these islands. The United Kingdom, and all the ideas for which it stands, would have lived under the shadow of a constant peril. For the sake of its own defence, it would have been compelled to imitate, in a large degree, the militarism of its neighbour. Our domestic freedom would have been gravely impaired, and our social progress seriously retarded.

Hating war though it does, the Liberal Party could only have held aloof from this conflict at the cost of sacrificing its own most cherished ideals. International goodwill, respect for treaties, freedom from military domination, the desire for the liberty of all peoples, the hopes of a new world-order based upon the League of Nations, our own domestic security—all these were at stake. All these combined to lead it to devote its energies without stint to promote the success of the Allied cause.

Lessons of the War.

The nations which have best stood the test of these years of cataclysm are those which had been wise enough to establish democratic constitutions. The power of Kaiserism, and the influences that emanated from it, led Germany into the war, and through the war to disaster. In Austria and in Hungary the political systems which had been set up gave the people no effective control over the reckless statesmen who brought their countries to an equal fate. The autocracy in Russia collapsed under the strain of a prolonged war, with its alternation of defeats with successes; its disappearance has left the country in a state of social dissolution. In so far as Greece and Bulgaria were under monarchical control, they were led along wrong courses and suffered in proportion. Venizelos, drawing his support from the masses of the people, redeemed the situation for Greece.

Had France reverted to a Napoleonic regime in some moment of aberration between 1871 and 1914, who can doubt that the cruel sacrifices to which she was subjected in this war, the grave reverses which her armies sometimes suffered, would have led to political convulsions, that would have had a disastrous military result? She had happily kept her democracy unimpaired. Her institutions have stood firm. It has been the free countries, Great Britain, France, Italy, Belgium, the United States, which have been right in the essentials of their policy, have proved themselves able to organise effectively for war, have shown, so far, that their institutions are stable, and, at the end, have emerged victorious. The system of self-government, to promote which is one of the prime objects of Liberalism, has been subjected, in Europe and America, to the most searching moral test and to the most violent material shock. It has been vindicated by the result.

Experience within our own Empire points the same moral. A free South African Union, made possible by the grant of self-government to the Transvaal and the Orange Free State, has thrown itself into the conflict by the side of the other members of the British Commonwealth, and has contributed not only important military results, but not less important moral support. At the beginning of the war a reconciled Ireland, relying on a Home Rule Act on the statute-book, believing her political freedom to be at last within her grasp, sent her sons by scores of thousands to fight in the cause of the freedom of others. Later, a disillusioned Ireland, rightly or wrongly believing herself betrayed, her faith gone in the early fulfilment of the hopes held out to her, angry and discontented, withheld her help. The reactionary forces in this country have often done harm to the British Empire, from the days of the loss of the American Colonies up to this hour. Seldom have they rendered a greater disservice than in obstructing, and finally blocking, the path to Irish Home Rule. The direct consequence was that it had not become operative before the war came upon us; the indirect consequences we now see.

"All history," a distinguished historian has said, "is one long plea for human liberty." These years renew that plea. At the cost of how much blood have they enforced it!

The National Effort.

A Liberal Government had been in power for eight years before the war. It had watched with anxiety the German threat to our naval supremacy.

To meet that threat it had proposed to Parliament increases in our Naval Estimates which had raised them from £33,000,000 in 1905 to £51,000,000 in 1914, or by more than 50 per cent. In the efficiency and power of the fleet the increase had been even greater. It was believed that, if war came, the navy would be strong enough to out-match any enemy and to safeguard this country from invasion. And so it has proved. The German battle-fleet, throughout the war, has been wholly unable to keep the seas, or to interfere in any effective fashion with our navy's blockade, which has helped so powerfully to decide the issue. Not a German soldier has set foot on these islands except as a prisoner, and our age-long immunity from invasion has remained unbroken. Although we have suffered heavy depredations from the submarine campaign—and no-one foresaw the uses of the submarine to which the rulers of Germany, in their barbarism and desperation, would resort—the sea routes have been kept open for our supplies, and millions of soldiers, of our own and allied armies, have been successfully transported on every ocean.

It is true that the Liberal Party, in common with the Unionist Party and the Labour Party, did not propose before the war the creation of a great army, based on compulsory service. The nation had never contemplated embarking upon a vast campaign upon the Continent. Our task was taken to be the holding of the seas, and for that we were fully equipped. But when the war came we were able to mobilise at once over half-a-million men, for service abroad and for home defence. Lord Kitchener, appointed head of the War Office, organised a national army, and before long, at his call, five million volunteers had come forward from all parts of the Empire to take their part in the great conflict—a record of spontaneous patriotism, the glory of which has never been approached by any nation at this or any other period of the world's history. To provide the war material needed by so great a force, Mr. Asquith's Coalition Government established the Ministry of Munitions, which under the energetic guidance of Mr. Lloyd George made good the need. Later, as the struggle continued, and developed on an even vaster scale, that Government found it necessary to ask Parliament to enact compulsory military service.

What Might Have Been.

It is often confidently asserted that if such steps had been taken in advance, if, before 1914, compulsory service had been made the law, and an army of millions created and properly equipped, there would have been no war. Possibly that may be. But it is possible also that Germany, alarmed by such preparations, might only have struck the sooner. And it is more than possible—in view of the traditions of our people, it is in the highest degree probable—that conscription, if at that time it could have been established at all, would have been passed into law only as the outcome of a violent political struggle. If the war had come nevertheless—and taking into account the forces at work in Germany that contingency cannot be excluded—our nation would have entered it torn by dissension. Large sections of the people would have felt convinced that the conflict was the outcome of our own action; that our creation of a great army, in addition to possessing by far the most powerful navy, had been itself an announcement of warlike intentions; that the war, in fact, was Germany's answer, and a not illegitimate answer, to our own militarism. Such feelings could not fail to have had their

echo throughout the Empire, and in the United States; and we should have entered the great conflict with a larger army indeed, but with a less united nation, with fewer friends, and, as a consequence, in a less resolute spirit.

There are some also who, looking back, blame the efforts that were made by the pre-war Government to cultivate friendly relations with Germany. Overtures there were, repeatedly made. Attempts to secure a simultaneous limitation of naval armaments; attempts to settle out-standing colonial questions; attempts to create a more friendly atmosphere. But they are short-sighted indeed who would have had our policy different. Those efforts, sincerely made, have been one of the foundations of our moral position. Their rejection, for the most part, by Germany has helped to show the whole world at whose door lies the guilt of the conflict. Followed as they were at the hour of crisis by energetic efforts, equally sincere, to settle the particular quarrel that had become acute, they have satisfied the conscience of our own people and cleared the issue for America. Better to have offered the hand of friendship and been repulsed, than to share the responsibility for fomenting ill-will. The pre-war policy towards Germany of Mr. Asquith and Sir Edward Grey, vindicated as it has since been by the then German Ambassador himself, has proved a powerful factor in establishing the moral strength, and so in ensuring the success, of the allied cause.

Liberal Policy Justified.

In two other respects the Liberal policy which prevailed before the war has been justified in the hour of test. Free Trade had enabled these small islands, possessing no vast natural resources, to accumulate so great a store of wealth, that they were able to finance, year after year, not only our own immense war expenditure, but to a large extent the efforts of all our Protectionist allies. And Free Trade had enabled them to create so large a mercantile marine—nearly half the merchant shipping of the world—that the transport of armies and of supplies, together with the provision of the immense tonnage needed for the auxiliary services of the navy, could be undertaken, not indeed without strain, especially since the destruction by submarines, but at least on a scale sufficient for our more vital needs. If British shipping had been half what it was, what would have been the course of the war?

The Conduct of Affairs at Home.

Our economic system bore with success the shock of the outbreak of war. The arrangements made by the Government to help our financial institutions through the crisis served their purpose. The dislocation of industries was overcome. The taxation of the country was placed on a war footing with surprising ease. Politically also, the unity of the nation was maintained.

But after nine months of war it was made clear that that unity could not be fully preserved unless the Government was reconstructed on the basis of a coalition of parties. The change was unhesitatingly made. A small War Committee of the Cabinet was entrusted with the day by day conduct of military, naval and diplomatic affairs, free from the delay involved by reference to the large Cabinet of twenty-three. At the beginning of 1916

the time came when compulsory military service was necessary. Until then the number of volunteers had been in advance of the equipment that could be provided for them. If earlier compulsion had furnished a larger supply of men, they could not have been effectively used. At the right moment the new system was adopted and enforced, with a minimum of friction and with almost a complete absence of controversy.

At the close of that year came the change of Administration. The Liberal members of the Lords and Commons met at the Reform Club and unanimously expressed their resolve to support the new Government in the effective prosecution of the War. The terms of the resolution were as follows:—

“That this meeting records its thanks to Mr. Asquith for his long and magnificent services to the Nation, its unabated confidence in him as Leader of the Liberal Party, and its determination to give support to the King’s Government engaged in the effective prosecution of the War.”

That promise has been scrupulously fulfilled, and no Government has received such unswerving support as has been extended by the responsible leaders of the Liberal Party in Parliament and the main body of their followers, to every measure of the present Administration calculated to assist the progress of the war.

House of Commons Criticism.

Criticism there has been from time to time. The House of Commons would be doing less than its duty if it did not subject the Government in office to reasonable and well-informed criticism. Every Government needs it, and every Government is the better for it. In particular, the mis-handling of the question of man-power during the critical year 1917, owing to the ill-conceived scheme of National Service Volunteers; the failure of the measures for dealing with the food situation prior to the appointment of Lord Rhondda; the frequent changes in the control of merchant ship-building and the slowness of the completion of new tonnage; the delays in dealing with important matters of home legislation and administration owing to the concentration of work in the hands of the small War Cabinet; the unhappy treatment of many Labour questions; the error of policy in attempting to impose conscription upon Ireland while withholding political freedom, a step which has caused profound disturbance among the Irish people while it has added nothing to our military strength; the wasteful expenditure of money by many of the Departments of State, and the insufficiency of Treasury control; the multiplication of new offices, till the Government has come to consist of over ninety members; the inadequate measures for the protection of our prisoners abroad from ill-usage; the recognition of the necessity of an inquiry into the allegations of General Maurice, the Director of Military Operations, as to the measures taken prior to our reverses on the Western Front in March, 1918, followed at once by the refusal of all inquiry; the retention in the United Kingdom, until after those reverses, of 300,000 troops, who might have saved the situation had they been at Sir Douglas Haig’s disposal beforehand;—all these were grounds for legitimate Parliamentary criticism. With regard to some of these matters, the criticism, when not too late, resulted in useful changes.

For the rest, to the many vigorous and effective measures taken by the present Government, as by its predecessors, to promote the success of our

arms and those of our allies, the Liberal Party in Parliament gave its continuous support. In the country the attitude was the same; and when the National Liberal Federation met at Manchester in September, 1918, its first action was to declare unanimously that it was "the paramount duty of all good citizens, without distinction of party and subordinating for the time all other purposes, to support with every necessary effort and sacrifice the effective prosecution of the War until a just and lasting Peace is assured."

An End of War.

In the settlement of the terms of peace allied statesmanship will have to consider the consequences of the past, the needs of the present, the foundations of the future. It is essential to secure reparation, so far as reparation is possible, for the almost immeasurable evil done by the aggression of the Central Powers. It would be wrong that the great crimes committed during the war itself should go unpunished. The pressing needs of the peoples for food and materials have to be met. These are matters of urgent importance. But more important still is the planning and the building of the world that is to come after.

Among the masses of the people in every war-worn country there is an intense desire that the catastrophe of these years shall not be repeated. "Prevent that above all," such is their mandate to their spokesmen. Unless statesmanship can ensure that, it will have disastrously failed. Any leader of any party in any country, who does not bend his energies to that great purpose, is not merely useless; he is harmful. By that test the leaders of the nations will be judged.

British Liberalism is devoted whole-heartedly to the attainment of this goal. It seeks to eliminate the causes which have led to the present war and to avoid the creation of fresh causes that might lead to others. The destruction of the European autocracies will have removed one of the chief of the factors predisposing to war. If the map of Europe is re-settled on the lines, so far as possible, of nationality, a second will have disappeared. Let us not be so criminal as to replace these ancient sources of quarrel, abolished at the cost of such bitter sacrifice, by any new one. An economic boycott would be such a source.

Once let it be made plain that the military system in Germany has been definitely overthrown, that the rest of the world is no longer compelled, for the sake of its own protection, to employ any and every means to keep down the vitality of the Central Powers, and there can be no justification for the denial of raw materials for their industries and of markets for the products of their labour. There cannot be a lasting peace upon that basis. It is not in accordance with justice that seventy or a hundred millions of people, intelligent and industrious, should be reduced, by the deliberate action of the rest of mankind, to the lowest level of subsistence.

A Clean Peace.

Nor would they tolerate it. Whatever the position may be at this moment, and during the years immediately following the war, such an attempt must in time bring its reaction. It has been wisely said that our peace terms must be stern enough to establish the overthrow of Prussian militarism, but not so stern as to ensure its revival.

In allocating the supplies of raw materials available on the conclusion of peace, the country which has done its utmost to destroy every merchant ship that sailed the sea is obviously not entitled to any prior use of the tonnage that has escaped or has been built in replacement. But any arrangements that sought to keep German industry at a permanently low level by controlling the sources of supply of raw materials from the tropical and sub-tropical parts of the globe, and by denying their use, would inevitably sow the seeds of a war of revenge. And it would be a war of revenge which would make a powerful appeal to moral forces, both in Central Europe and elsewhere.

If thirty or fifty years hence, it proved that all our present efforts to secure the self-government of peoples, territorial justice, the settlement of disputes by a League of Nations, did not succeed in preventing another war initiated by Germany, that would indeed be a calamity. The next generation would have to endure it, as our generation has endured this war. But if thirty or fifty years hence there were to be another war, initiated by Germany on account of injustice in the settlement made now, a war in which Germany *was in the right*, that could not be endured. That would be a disaster for which our children could never forgive us.

"The future is hidden even from those who make it," says Anatole France. Who can foretell what will be the distant outcome of the great events that are now occurring? But at least let us abstain from the folly of allowing feelings of anger and resentment, natural as they are, to lead us to invite dangers that can plainly be foreseen. The peace, as Mr. Asquith has repeatedly urged, must be "a clean peace." British Liberalism subscribes to President Wilson's principle that "there can be no employment of any form of economic boycott or exclusion, except as the power of economic penalty, by exclusion from the markets of the world, may be vested in the League of Nations itself, as a means of discipline and control."

The League of Nations.

Use the economic boycott in advance, and a League of Nations would be deprived of its chief weapon. It would be left with no penalty to impose on a recalcitrant State as an alternative to armed attack; and to obviate armed conflict is to be the chief purpose of its being.

And it is in such a League, with effective powers, that the democracies see the best hope of realising their passionate longing for the abolition of war. More vividly than ever before, the peoples realise the waste and futility of war, as well as its cruelty; the sheer stupidity of it; its offence, not only to morals, but to reason. That the parties who might otherwise fight each other should come together to provide other means for settling any disagreements that may occur, seems the most obvious common-sense. And so it is. But human beings are so perverse, old practices are so deep-rooted, that the fulfilment of even the most obvious dictates of common-sense is often not achieved without prolonged and intense effort. Particularly is that so in a case such as this, where the practical application of an accepted principle is attended by difficulties numerous and complex.

The purposes of a League are generally agreed to be, first, the establishment of a Court, to which can be referred those international disputes that

fall within the domain of law; secondly, the creation of a machinery of conciliation and arbitration which can be invoked in all other disputes; thirdly, the attainment of a general limitation of armaments; and, fourthly, the provision of the means of enforcing, in case of need, its own decisions. To these, other functions may or may not be added; for example, the exercise of suzerainty over territories that cannot for good reason be allotted to any individual Power.

Each of these subjects presents its own problems. This is not the place in which to embark upon their examination. I desire to refer to only two points, the one not always sufficiently emphasised, perhaps, by the advocates of the League, the other relating to an objection by its critics.

If there is to be a limitation of armaments, and a change of international law with regard to warfare at sea, the limitation must be universal and the change must not leave the British Empire defenceless, if the League, through events that are unforeseen, should prove in fact unable to achieve the permanent peace which it seeks to promote. It should be clear beyond possibility of doubt, that if "the world is to be made safe for democracy," it must be made safe for the British democracy among the rest.

National Sovereignty.

The chief objection of the critics is to the limitation of independent sovereignty involved by membership of the League. Each State would no longer, it is said, be able to decide its policy wholly at its own will. And it is true that membership of the League would impose limitations. Every treaty of international arbitration, however, limits independence, just as subjection to the law limits the independence of the individual, to his own advantage, in common with that of the rest of the community. But there is a further answer, which to some minds may make a stronger appeal. Was our sovereignty, after all, so absolute? Were we able, as a matter of fact, to conduct our policy at our own will? Was it at our own desire that year by year we paid heavier and heavier taxation in order to increase our naval armaments? Was it because we thought it in itself a good thing that, during the last four-and-a-half years, we have sacrificed the lives of hundreds of thousands of our young men, the limbs, the health, the sight of hundreds of thousands more, and wealth almost beyond counting? And if no League of Nations is established, and the world is left to its former anarchy; if the consequence is that conscription is made universal, that armaments are piled up in ever-increasing measure, that taxation for military purposes exceeds even its present dimensions, and that the nations live in peril of an always threatening conflict, more intense and destructive even than this has been—would that be freedom? Would that be the conduct of policy at our own will? It is not in such conditions that a true sovereignty resides.

If by an equal subjection with our neighbours to some measure of control at the hands of an authority jointly established, we can escape that coercion, our liberty, on balance, would not be restricted but vastly enlarged. We would join in a world-government which will help us to live our lives as we would, instead of lying at the mercy of a world-anarchy, the effects of which would be more destructive of freedom than the most despotic domestic tyranny which history records.

Difficulties in establishing and in administering a League of Nations unquestionably there are, most formidable difficulties. They must be overcome. For the difficulties that will face mankind if there is no League of Nations will be far more formidable still. In its creation, coupled, as it must be, with the control of Parliaments over treaties, lies the chief hope of a lasting peace. And it is only if peace is secure that the peoples can devote their thoughts, their energies, their resources, to rescue themselves from the poverty, the evil environment, the limitations of mind and body, which stunt the lives of multitudes among them. Since the abiding work of Liberalism is the promotion of social progress, a Liberal Party must needs be a party of Peace.

II.—LIBERALISM AND A LEAGUE OF NATIONS.

BY THE RT. HON. SIR WILLOUGHBY H. DICKINSON,
K.B.E., M.P.

The institution of a League of Nations for the maintenance of international right and the preservation of peace is no more than the application of Liberalism to world politics. In domestic matters Liberalism betokens the correlation of the principles of Liberty, Justice and Fellowship. Our civilised communities have adjusted their relationships so as to recognise the freedom of the individual to live his own life provided that he does not harm his neighbour, and have organised methods of common action by which the good of all is safe-guarded and advanced. Whilst interfering as little as possible with individual liberty, they have set up courts to administer justice and to carry into effect the laws that mankind makes for its own protection; and, further, they have instituted representative assemblies by whom the wants of the community may be ascertained and supplied in an effective and peaceful manner.

International Anarchy.

It has not been so with international affairs. Hitherto we have had no international law in the sense of rules of conduct that must be observed and can be enforced. We have had numerous books compiled by lawyers and ecclesiastics who have laboured to provide the nations with a code of international jurisprudence; and we have had treaties, by which nations have placed themselves under obligations towards each other; but the former have been merely pious opinions and the latter only voluntary agreements possessing no binding effect beyond that which could be secured through a sense of honour between governments. The world has been really living in a state of international anarchy, much as in the early mining camps, where every man was a law unto himself, and the dread of lynching was the only deterrent that operated to restrain defaulters. If international life is to be rescued from this anarchy, it must be through the gradual acceptance of laws, the recognition of international justice, and the general consent and collaboration of the peoples of the world.

These results might be brought about by the union of States into a single federation, as has been the case with the United States of America, or the German federal empire, or the British aggregation of commonwealths. But if either of these examples is followed, it entails the establishment of a federal government and a world Executive for which it is extremely doubtful whether

mankind is ready at this moment. It would also involve considerable limitation of the individual liberties of existing states, and this interference with national sovereignty would render it difficult, and perhaps impossible, to induce the governments of these states to enter into any such federation.

Those, therefore, who advocate a League of Nations have deemed it wiser to proceed in a more tentative way by accepting existing conditions as far as possible and merely supplying what is immediately necessary in order to bring some kind of order out of the anarchy that now prevails. In order to effect this, we must construct machinery and supply power to work it. Both are indispensable. The former must provide means whereby the peoples of the world can, through their representatives, meet to discuss and adjust the affairs of the world. The latter must inspire the people to see to it that their representatives labour uniformly for the common good and not for the interests of their particular country or race.

International Co-operation.

Thus, the first thing to be done is to bring together a representative congress and to agree upon the powers of that assembly. In considering this question it will be all-important to avoid undue interference with the domestic concerns of any state. The object of the congress will be to establish international order and not to pry into national troubles so long as they do not endanger the general peace. A League of Nations based upon Liberal principles must put in the forefront of its policy the recognition of state rights and the claim of every free people to regulate their own home affairs.

International Justice.

Secondly, the League must create and enthrone international justice in such a manner as will command the confidence of mankind, since confidence can only flourish in an atmosphere where justice is supreme. Next to that of the divine law the sense of justice as between man and man is perhaps the most universal in the human breast. The great Roman Empire and the still greater British Empire have held their sway over men of all races and degrees of culture through the simple fact that they have personified and secured justice. When once we have set up a world Court of judges recognising that their responsibility is a responsibility only to the world and to their own conscience, we may expect a change in the whole attitude of the human race towards internationalism. When it is known that there is in existence some method other than the sword by which the nations may settle their disputes, then the great mass of people will readily resort thereto. A representative Congress and a Supreme Court will at any rate supply some effective machinery for securing the peace.

International Conciliation.

But, in this organisation, there must be also some place for conciliation. A Court of Justice can only administer law, and there is much in private and in international life that generates troubles which cannot be settled by law. Wars, like disease, often start in some small sore that is allowed to fester until it becomes fatal. Early treatment by men of experience and wisdom would have done much to remove the evils that have led to recent conflicts.

The League of Nations will therefore have to add to its machinery some permanent body who can be called upon to mediate in and adjust differences before they become a menace to peace. For this reason the schemes that have been promulgated both in this country and in America contemplate a Council of Conciliation as an essential part of the organisation of a League. An international machinery so completed may not of itself ensure the world from war, but it will provide a means whereby the people of the world if they wish for peace can have it. All will, however, depend upon the spirit that actuates mankind. At the close of this war there may be a great revival of nationalism. Small states that have hitherto been subject to the greater Powers, will probably on entering upon their heritage of freedom, desire to assert their independence and their sovereign rights; but on the other hand the general sentiment of humanity will insist upon preventing the exercise of those rights from plunging the world into another cataclysm similar to that from which it is now emerging. Those who are striving to create a League of Nations to abolish war, must do their utmost to fan into a living and lasting flame the desire for peace among all the peoples of the globe. For it will not be possible either to build up a League of Nations or to maintain it when once erected unless at the bottom of the human heart there lies the love of peace and a real longing for universal brotherhood. Let us, therefore, see how we can best prepare the ground for the healthy and rapid growth of this international spirit upon which the very existence of civilisation will depend.

Plan of a League of Nations.

Various schemes have been prepared for the creation of a League of Nations. The two that have attracted most attention are the plans of the British League of Nations Society and of the American League to Enforce Peace. Both these societies were formed in the early months of the war and since then have worked in close consultation with one another. Both are based on the principle that there should be a treaty made between the states of the world, or as many as are willing to join, by which each state will bind itself to resort in the first instance to peaceful methods for settling any dispute in which it is involved with another member of the League, and by which all the states will undertake to unite their forces against any member that departs from this contract. By this means, if any state takes up arms against another before the question at issue has been made the subject of peaceful enquiry that state will at once find itself opposed by all the other states of the League who would bring against it their combined powers of diplomatic and economic pressure and, if necessary, military force. In order that such a League should be effective it is advisable that it should include as large a number of the states of the world as possible. And this for two reasons. Firstly, the aggregate forces that could then be used against a defaulter would be practically irresistible, and, secondly, the bringing into the League of nations that are likely to disturb the peace would subject them to restraint to an extent that would be impracticable were they to remain outside. It is essential that the League's power of keeping the peace should operate over as large a field as possible.

The plan of the League of Nations Society goes beyond that of the American Society in that it proposes that the League should guarantee its members not only against disturbance inside the League but against attack from any state that has stayed outside. Some people object to this on the ground that the

League would have enough to do to attend to its own affairs ; but, on the other hand, it is urged by those who support the British scheme that the protection so offered will tend to bring into the League smaller nations who might otherwise be fearful of attack from some powerful outside neighbour. Moreover it is hoped that in due course the security offered to its members by the League will bring about a diminution in armaments and this object would not be so easily attained if each state found itself compelled to maintain its own forces in order to meet possible aggression on the part of some outsider.

Methods of Settlement.

The methods of peaceful settlement suggested by the British Society are as follows. The League would possess four principal organs (1) A Supreme Court ; (2) A Council of Conciliation ; (3) A Conference and (4) An Administrative Committee. Each of these organs would possess distinct functions, but the main object of all would be to secure justice and to reduce the possibilities of war. The constitution of these bodies is a question of the utmost difficulty by reason of varying conditions in the different states of the world. There are over 50 states which are regarded as sovereign states. Their populations vary from one million to over four hundred millions. In wealth, civilisation, historical associations and national character they differ enormously, and when we come to decide what degree of weight is to be given to each state in any international organisation we find ourselves up against a problem that has puzzled the Hague Conferences and almost every other assembly that has tried to deal with this subject. Some people suggest that every state should have the same representation on the central body. Others have argued that representation should vary according to population or according to wealth or civilisation or a combination of these factors. The solution of the question, however, depends largely upon the functions of the central body that it is proposed to institute. The Court of Justice is to be a body of judges whose duty it is to administer international law impartially amongst all nations. It must be a small body and therefore it cannot in any case include representatives from every state, nor is there any necessity for this. Judges in our own country are not selected because of their connection with a particular district, or a particular class of the community, nor in the United States is the judge of the Supreme Court allocated to the particular state from which he has sprung. Such judges are chosen to administer justice without fear or favour, and as a rule they rise to this sense of responsibility and cast aside all local and racial predilections.

This will be the case with a world court when it is established. A judge will be selected not because he is an Englishman or a Frenchman or a Brazilian, but because his attainments and high character have singled him out as suitable for the position. Thus, the only question that will arise in this connection will be the person or persons in whom is to be vested the power of appointment. The scheme of the British Society proposes that the judges shall be appointed by an assembly of representatives from all nations. It is anticipated in most cases that this assembly, consisting, as it would, of men of the highest standing in every country, would be able to choose the judges by agreement amongst themselves, but in the event of an election becoming necessary it would be conducted by the method of proportional voting so as to ensure to the smaller states some voice in the selection.

A Council of Conciliation.

The second organ of the League that is suggested by both the British and American societies is a Council of Conciliation. This proposition is based upon the existing Anglo-American treaties which were fully discussed in the years prior to the war and were accepted as the utmost point to which two powerful and free nations would go in agreeing to subject their disputes to peaceful settlement. A long time ago America and England had agreed that all differences that were capable of judicial treatment should be referred to the Hague Court of Arbitration, but there were excluded from this provision matters of dispute involving honour or vital interests. During the period that Mr. Taft held the Presidency and Lord Bryce was British Ambassador, the question of extending the former treaty so as to embrace the more vital issues was a subject of debate between the respective governments and in the United States Congress, and ultimately it was decided that the two nations would undertake that they would not go to war against each other in any case until an opportunity had been given for thorough investigation into the matter in dispute ; and accordingly they have now signed a treaty by which a permanent commission of five persons is set up who will investigate and report upon all differences of a non-justiciable character which may arise between them, and the governments of the two countries have undertaken to abstain from all acts of hostility until such enquiry and report are completed.

It is suggested that this method of settlement should be adopted by the states constituting the League of Nations. Every state will enter into a similar undertaking with each other that they will not fight until the matter has been properly investigated. If a state departs from this undertaking then the other members of the League will interfere to restrain it. For the purpose of the necessary enquiry the states will set up a Council of Conciliation. The Council will consist of one representative from each state, since in this case there is not the same need for limitation of numbers as exists in respect to the Supreme Court. Moreover, it is not intended that the Council should give binding decisions. Its duty will be to mediate between the litigants and if possible to bring about some arrangement that will settle the dispute, and if this is not possible, to issue a report upon the facts of the case so that all people may know which party should be supported in the event of war.

A Representative Conference.

The third organ of the League is a Representative Conference. It will be a larger body than either of the others and must be based upon some roughly representative system. It is difficult to lay down the exact conditions which would justify a larger or a smaller representation upon this body, but the scheme of the League of Nations Society suggests that one member should be returned for every state having a population less than twenty millions, three members by states having a population between twenty and fifty millions, five members when the population is between fifty and one hundred millions and seven members for states of over one hundred millions. By this means the small nations will find that they have a considerable influence on the proposed representative conference, whilst the larger states will command sufficient power to prevent the risk of being overwhelmed by a large number of less populous countries.

Powers of the Conference.

It is difficult and indeed inadvisable to attempt to define too accurately the powers that the Conference will exercise. Much will depend upon the extent to which that assembly succeeds in commanding the respect of the world, and for this reason it will be well at the outset not to attempt to give it more work than it could properly perform. Care must also be taken to avoid any risk of the constituent states of the League regarding the Conference as being a body desirous of interfering in their domestic concerns or of altering their customs and laws. The League of Nations, as we contemplate it, is to be a League of sovereign states bound together for the preservation of international peace and for the adjustment of international affairs. Amongst these matters stands out prominently the necessity for the re-establishment of international law. The war has very largely destroyed all the conventions and treaties upon which this law has hitherto been based, and it will be necessary to revise, codify and agree to a new system of international jurisprudence. The Conference will be charged with the duty of preparing such laws ; but it is not suggested by the present scheme that actual legislative power should be forthwith conferred upon the Conference. International law must rest upon the consent of all the states concerned, and it is therefore proposed that this consent shall in every case be either obtained or presumed.

The function of the Conference will be to lay before each government the results of their deliberations in the shape of international statutes. These statutes would be presented to the government of each state and will in future be binding upon that state unless it refuses to agree to it. Under these conditions it may be that a few states remain outside the provisions of certain international laws ; but this is not likely to be permanent in regard to any legislation upon which the Conference is generally agreed. Even if this system does not provide a complete machinery for international legislation, it will be a great improvement upon anything that has gone before, and if goodwill characterises the efforts of all nations in the League it ought to result in the passing of effective and permanent international law.

Control of Treaties.

Another most important function of the Conference would be the examination and discussion of treaties made between the members of the League or between members of the League and outside states. It is evident that secret agreements would be quite inconsistent with the whole idea of international partnership. Members of the League will of course be free to enter into agreements with their neighbours in such form as they think best, provided that those agreements are not inimical to the interests of the whole community of nations. So long as this is so the Conference of the League will have no right to interfere ; but it will be entitled to demand full information as to the particulars of agreements ; and the universal publication of the treaties which will ensue from this arrangement will be of the utmost value to the peace of the world. The existence of such international organisation would tend to put an end to much of the secret diplomacy that has hitherto been largely responsible for international suspicion and disagreement. In fact, the periodical meeting of the Conference would probably be made use of for the purpose of diplomatic communications by much more open and honourable methods than those which have prevailed in the past.

General Subjects.

There will, of course, be many other subjects of international concern to which the Conference will have to devote its attention. Questions of universal postage, world transport, shipping facilities, navigation laws, health, immigration and such like would all come for settlement before the Conference or its Committees. Difficulties arising in connection with frontiers, racial conditions, etc., might also be discussed and dealt with in this manner. Probably the whole subject of international disarmament, which must inevitably be considered, when this war draws to a close, will be treated in the first instance under general rules agreed to by the Conference and carried into execution by the separate governments or by some standing international commissions set up for the purpose. Thus, even though the functions of the Conference be limited, there will be plenty of work for it to accomplish and as it proves its usefulness and suitability for international administration it will gradually grow in power and may ultimately develop into a real system of world government.

An Administrative Committee.

There remains one other organ of the League to be described. In the British scheme it goes by the name of the Administrative Committee. The Americans prefer to call it the Executive ; but whatever be its title it will be a small permanent body appointed by the representative Conference and charged with very important duties. It will conduct the business of the League and will prepare for its meetings and collect all necessary information. It will provide the machinery whereby when the Conference has adopted a scheme for general reduction in armaments this could only be accomplished. This Administrative Committee will be permanently established, will have its place at the seat of the League and will probably be in constant correspondence with the diplomatic representatives accredited to that particular country. It will form a link between the League as a whole and the governments that constitute the League. Its Chairman and Vice-Chairman will be men of world reputation and on their ability to deal with the various states will depend the success or non-success of the League.

Conclusion.

The above is a short summary of the system by which it is thought possible to build up a world organisation that will prevent the recurrence of war as far as it is humanly possible ; but as already stated the machinery will be ineffective without the power that will flow from the wishes of the peoples themselves. A League of Nations for the maintenance of international justice and the preservation of permanent peace can only consist of nations who love justice and desire peace. It is to be hoped that the lessons of this war will have brought the peoples of the world into a frame of mind in which they will welcome the establishment of the League and do all in their power to make it effective.

III.—DISCHARGED SAILORS' & SOLDIERS' RIGHTS.

BY J. M. HOGGE, M.P.

"That this Conference pledge themselves to secure that our sailors and soldiers shall have the first claim upon the consideration of Parliament as they already have upon the gratitude of the nation; that none of those who have served in the national forces shall be allowed to fall into distress, either from lack of employment or from any other defect in our social organisation; that those who have been incapacitated from following their old occupations shall be freely assisted to train themselves for new employments, and shall be further assisted by the State in every practicable way to establish themselves in business or as wage earners; that the pensions from the State to disabled men and to widows and children shall be a statutory right and sufficient in amount to secure a satisfactory standard of comfort; that the pension fund shall be generously and sympathetically administered, and that there shall be set up immediately for Scotland a separate Ministry with a separate Special Grants Committee."

In similar phraseology the National Federation at Manchester expressed itself unanimously. The reason I quote the above resolution passed in Glasgow at the Scottish Federation is on account of its reference to a separate Committee for Scotland, a reform necessary not only for Scotland but for England, Ireland and Wales.

The Claims of the Men upon the State.

The resolution affords a natural and simple division of a great subject. First of all, it asserts the claim that discharged and demobilised men have upon the State. It is given priority of place. This is only right. We talk a great deal about Reconstruction. Many appear to think that it is the "Open Sesame" to everything that is now necessary. In my view it is premature to talk of Reconstruction. This war has deposited on the threshold of every door opening into reform the debris of a great war. It certainly has placed the duty of carrying the disabled, the widow, the fatherless and the orphan on the shoulders of the Nation. Now, before we begin to deal with any other problem we must face this one. No adjustment of social, economic or industrial conditions has any real chance of success if we have a dissatisfied army of men watching our new State builders at work

on the creation of new undertakings. We cannot afford to have a crowd of disgruntled spectators. The men who have served, whatever their condition, must participate in any new efforts. We cannot tell men that they have saved the Empire and refuse to save them. Men cannot live on gratitude. They must have it translated into care, treatment, training, employment. They must feel that justice has been dealt out to them, that we have done the only and the right thing by them. Thus they must have first place in the mind and purpose of any new Government. They must be the preamble to our great new Bill of National Reconstruction.

Perils of Demobilisation.

Second, the resolution insists that the returned man must not become the victim of defects in our Social organisation. In the days of recruiting we harped on the phrase "Never again." We were conscious of the neglect of the past. We recalled with shame that our men who had served before found their way into the workhouses—sometimes on to the kerbstone of the street to ply an itinerant trade. We promised ourselves that in the future we should avoid a repetition of our deficiencies. To achieve that we must guarantee to every man who is prepared to play the game security against the handicap war has placed him in. Man lives by work. He risks his life in war. The man who has survived the risk must be provided for. Obviously different men are situated differently. The disabled man cannot do the same work with the same ability as before. The demobilised man can if he can get it. Demobilisation brings with it many perils, chief among which is faulty and inefficient machinery. With the best intentions in the world schemes for demobilisation may fail if our machinery does not run smoothly. Any or every hiatus in our arrangements may suspend the man in short or long periods where apparent neglect may leave him stranded. It is therefore imperative that the best brains must be set to devising our schemes, and when devised it is more than imperative that the finest organising talent in the country should devote its time to carrying them through. We must be prepared to spare neither effort nor money to make our schemes successful. We are dealing with men who remember the ease with which they found themselves in the Army. They will be keen and vocal critics of the difficulty with which they get out. Briefly, we must carry them in the process of transfer. There is no reason, for instance, why pay and separation allowances should not continue until the man is put back into the position he gave up or was compelled to give up. This will cost money; but the more it costs the more likely is the State to speed its machinery up to get rid of the burden of cost. Then we must provide the nexus between the Navy, Army and civilian employment. The Labour Exchange exists. It is not popular and a strong feeling exists in men's minds against it. It should be used, however, if possible; but it might be specially staffed for this special work. It is a great opportunity to vitalise an excellent national machine which ought to work well. Success now would alter its whole future.

Lastly, we must see that the discharged man is as well off as the man discharged from munition work. The Government have made arrangements whereby men working on munitions will have certain standards maintained in the event of work slowing down. There will be the same difficulty with men getting into work as there is with men getting out of it; and we must see that they are as favourably treated.

Training and Rehabilitation.

Third, the resolution asks for facilities in training and rehabilitation. As to training, the existing arrangements are not attractive enough to induce men to take advantage of them. Consider the position. A man is discharged to pension. He returns home to a household which has not waxed fat on any adequate separation allowance. The alternatives he has, are training on sums which continue the separation allowance conditions and work at more remunerative rates. In most cases he chooses the latter. The only solution of this difficulty is remuneration for training which is as attractive as the alternative work. As a matter of fact this would pay the State. Every man is rationed to Alternative Pension, which means making up the difference between his ordinary disability pension plus his earnings to certain fixed sums dependant on his pre-war earnings. The material sum is his earnings. It is obvious that his earnings depend on his capacity to work. If they are increased, the nation saves money every time on alternative pension, besides giving the man a new lease of life. Therefore from an economic point of view it is going to pay us to make training attractive. Mr. Hodge, the Minister of Pensions, talks of obtaining compulsory powers for training. This is quite unnecessary. All that is required is economic advantage.

With regard to rehabilitation, the resolution suggests facilities to men to establish themselves in business. So far the only provision made by the Ministry of Pensions is charitable aid through the King's Fund, which has been repudiated by the discharged men themselves. Charity cannot and must not be allowed to deal with this problem.

What is the problem? It is very simple. The nation has demanded two things of everybody—their money or their life. Money, *i.e.*, War Loan, is secured by British credit and carries five per cent. interest. Life is more precious than money. Yes, there is no National Life Loan, only a system of inadequate pensions. There must be no advantage to money. Life must be provided for as generously. If the King's Fund is charitable and is wrong in inception, what is the alternative?

The Civil Liabilities Committee since May, 1916, has carried certain liabilities of serving men up to £104 a year. No one between 1914 and 1916 had the advantage of those who joined the colours subsequently. They made sacrifices, and when they return to civilian life they are faced with insuperable obstacles to beginning again where they left off. Why not continue the Civil Liabilities Committee for the purpose of rehabilitating men in business or as wage-earners? Maximum grants could be fixed. It has cost only £5,000,000 a year to carry liabilities when they have been serving. It need not cost any great sum when they have served, but the consequent relief to the problem of unemployment would be great. The scheme is simple. The machinery is in existence, and the Treasury should be compelled to meet the situation.

Pensions and a Standard of Comfort.

Fourth, the resolution asks for the establishment of a statutory right to pensions and for a satisfactory standard of comfort as the basis of the same. No man now has any right to pension. It is simply a matter of favour. In our colonies men have this statutory right. It is essential for many reasons, chief among which is the right of appeal against an award of

pension. To-day no man even has this right. However dissatisfied he may be with his award, he has no appeal against it. A man who receives a gratuity has such a right. He can take his case to the Appeals Tribunal, an entirely independent and separate body to that which awards him the gratuity. The working of this Tribunal has justified its existence, as fifty per cent. of appeals have resulted in pension being awarded instead of gratuity. If there is so great a disparity in gratuities, there is certain to be a great disparity in the award of pensions.

A Board of Appeal could easily be set up consisting of the County Court Registrar assisted by a physician and surgeon not identified with the Ministry of Pensions. It would afford great satisfaction and would diminish the feeling of discontent which now exists among the men concerned.

The second point of this discussion deals with the sufficiency of pensions. It is obviously difficult to have any sum which could be regarded as sufficient. The test must surely be, is the man as well off as when we recruited him. Take a case in point. In 1914 a man was earning £2 10s. a week. He is totally disabled in the war. He is therefore eligible for Alternative Pension and receives 27s. 6d., the highest disability rate, plus 22s. 6d. to make up his Alternative Pension. But the purchasing power of money is so reduced that his £2 10s. is now worth only 25s. to 30s. and he is in addition totally disabled. We have not carried out our promise to him. With fatherless children the case is worse. To-day three children of a serving man receive 24s. separation allowance, viz., 10s. 6d.; 8s.; 5s. 6d. Three children of a widow receive 15s. 10d., viz., 6s. 8d.; 5s., and 4s. 2d., or 8s. 2d. a week less than when their father was alive. Admittedly, the question is a difficult one to adjust, as it may be that money will depreciate and pensions therefore become more valuable. Meantime, however, a war bonus is necessary or the application of a similar principle to that applicable to railway workers—an automatic advance with any increase in the cost of living.

Administration.

Fifth, the resolution deals with administration. Whatever provisions are made, it is obvious that unless they are effectively and promptly administered there will be grave dissatisfaction. There is no difficulty about the permanent scales. It is when we come to deal with Alternative Pensions and supplementary allowances that delays are frequent. Local War Pension Committees investigate but can only pay on the authority of Chelsea. To-day an Alternative Pension takes on average 13 weeks to mature. Every case must go to London for decision and approval. It is surely absurd that cases from John O'Groats to Land's End, from Galway to East Anglia should be crowded in on London. Separate committees for the four countries would relieve the congestion.

In the days of the old regular Army it was possible for Chelsea to tackle the problem. It is not now possible, and it is imperative that there should be as few and as short delays as possible in dealing with such matters. Decentralisation is the only cure either to the four countries or to the Regimental Commands. The latter has much to commend it, as the machinery of the Pay Offices is in existence and could easily be adapted to the needs of the situation.

The Way the Problem must be dealt with.

Finally, we are convinced that much depends on the way we deal with the whole of this problem. Reconstruction is the great task of the future. But reconstruction in a disgruntled population is impossible. Before we can open the door to any social, economic, and industrial reform we must clear away the debris of the war. The sailor and soldier problem—pensions, training, treatment, employment—lies on the threshold of every door to any reforms and before we look to the future we must deal with the present. Unless we do, we can make no real progress. We cannot remain satisfied that we have fulfilled our recruiting pledges.

IV.—THE LIBERTIES OF THE PEOPLE.

BY THE RIGHT HON. T. MCKINNON WOOD, M.P.

The resolution of the National Liberal Federation on the liberties of the people covered a wide range, but the subject which most naturally leads to discussion is the demand that the bureaucratic control of trade and labour, established during the war, shall be brought to an end as soon as possible after the restoration of peace. That part of the resolution was subjected to some criticisms which were very wide of the mark. It was treated as if it were intended to advocate the doctrine of absolute *laissez faire* and a revival of the extremest precepts of the old Manchester school. The resolution was not open to that criticism at all. The critics forgot to notice that the opening words referred to the special restrictions which have been found necessary during the war, and it was the removal of these "as soon as possible after the restoration of peace" which it demanded. It expressed no hostility to the action of the Government or municipalities in their proper sphere, and, indeed, the Federation carried a resolution in favour of State control of railways and canals, which is certainly not the doctrine of pure *laissez faire*.

Petroleum and Electrical Power.

We were told lately that good authorities believe that petroleum will be found in this country, and the view strongly urged by Liberals in the House of Commons has been that, if so, it should not be treated as private property but as the property of the State. They have resisted (so far successfully) the proposal that it should be subject to royalties to the owners of the land, and have urged that all that equity demands is compensation for actual damage. We have too many royalties already without establishing new ones.

Another service in regard to which I am in favour of State control is the production of electrical power on the very large monopoly scale which is admitted to be necessary. The first bill I introduced in the House in 1906 was to create a unified municipal supply of electrical power for Greater London. Recently the question has been investigated from the national point of view, including its relation to the conservation of coal, by two Committees appointed by the Government. The broad general principle is that monopolies of services or articles necessary to the public should be under public control. When the State decides that an industry is what is called a "key industry," that the national security demands that we should be independent of foreign supply, and that, therefore, it is necessary to give State support, such an industry should not be allowed to become a private monopoly or a means of profiteering. The adoption of that principle will greatly reduce the claims to have particular industries treated as "key industries," the number of which might otherwise be considerable.

The Restoration of Freedom.

What the resolution affirmed was that the vast system of restriction and bureaucratic control which the circumstances of war had produced must not be continued as a peace system, and there is certainly a very strong body of opinion in this country which will energetically press for the restoration of freedom. There is, on the other hand, support for continued State control of industry from two very different and opposed points of view—that of the communist, and that of the people, who, while hating German methods of war, admire their methods of commerce. These wish the Government to support our industries and to keep out foreign competition, and regard the German *cartel* system as the last word in commercial efficiency and a four-decked tariff as the last word in political wisdom.

¶ We are undoubtedly dealing with a real proposition. The Government this year introduced a bill into the House of Commons to give the Board of Trade control of the import and export trade of the country for three years. Under that bill the Government would secure practically complete bureaucratic control of the industries of the country, for every one of them would be affected, directly or indirectly, by imports or exports, and most of them by both.

It is impossible to take up an extreme position and to argue that immediately on the signing of peace all Government control of trade and shipping must cease and determine. Ships must still for some time be requisitioned for national purposes consequent upon the war, as for example the transport of British and American and Colonial armies and their vast stores. The Government have purchased immense quantities of certain important raw materials and of food, and, therefore, will have control of their import and distribution. We all recognise that, while the shortage of tonnage continues, necessary articles must come first and luxuries must be postponed.

A Transition Period.

There must, no doubt, be a transition period during which a certain amount of Government control must remain. That is not at all the same thing as giving a blank order of unlimited control to the Board of Trade for a term of years. No doubt that method appeals to the department as simple and likely to save a great deal of preliminary trouble. It will probably be urged that it is difficult to foresee exactly what powers will be required; therefore, let us take all power. We shall be reasonable and beneficent autocrats. The bill would place the Minister and his advisors in a position of extraordinary authority, exercising powers such as no Minister has ever possessed, for there is no true analogy between the circumstances of war and of peace. The Department would soon find that it had undertaken a task far beyond its capacity, and the position of men of business would be intolerable.

I would venture to lay down three conditions. The field of control ought to be clearly defined, it ought to be as limited as possible, and the period of control should be as short as possible. It will be the duty of the Government not to ask for a blank cheque, but to bring specific proposals before Parliament and justify them, for though Parliament has delegated almost unlimited power to the Executive during war, there is no reason why it should do so

in time of peace. The restoration of free discussion in Parliament is one of the most urgently necessary restorations, and the subject under consideration is evidently one for decision by the representative authority, not by a War Cabinet, which can make no pretensions to commercial experience, or by Government departments, controllers, directors or other officials.

The Revival of Peace Industries.

There are the strongest reasons why we should regard as one of our first and most urgent duties after the war the revival of our peace industries as speedily as may be. It is, first of all, a question of finding employment; that is the most important and urgent aspect. The great demand for munitions will have ceased; we cannot afford to go on making guns and shells, of which we shall have enormous stocks. It is necessary to get back at once to the production of what is useful to man, to make up long arrears, to lay the foundation for continuous and in the true sense productive employment. At first hundreds of thousands will have lost their situations. The soldiers will be returning from the front. For them the nation will be ready, I do not doubt, to make provision till employment can be found.

Of course, there will be, on the other hand, a great demand for labour. The land, the mines, the quarries, the brickfields, the engine shops, the ship-building yards, are all short of men. But in many trades lack of raw material will cause delay. There are hundreds of thousands of houses to build, but we have first to get the stone and brick and timber and steel. We must get back our foreign trade, for we have to clear off a large indebtedness in order to restore our position in the foreign exchanges. We have lost a great deal in this war. What we call our invisible exports, which helped so very largely to pay for our imports, will be seriously reduced. We have parted with or pledged many of our foreign investments. Our shipping has been reduced by over 20 per cent., while the losses of other countries have been, taking them not individually but all together, more than made up by new construction. On the 6th November it was stated in the House of Commons, on behalf of the Admiralty, that our nett loss of steamships exceeds $3\frac{1}{2}$ millions gross tons. Owing to the rapid building of ships in the United States there will be a much larger foreign tonnage on the seas. Whatever compensation we may exact from Germany for her acts of piracy, there is no doubt that we shall be earning a smaller proportion of the freights of the world.

During the war our shipping has been diverted from old lines of trade; our merchants have been unable to maintain old connections. There has been a general and a profound disturbance of our foreign trade. Valuable services have been rendered in the past by British firms who maintained branches in foreign countries and have had a considerable share, owing to their intimate acquaintance with local conditions, in bringing to this country an immense and profitable business through British ownership of railways, mines, oil-fields and other undertakings, apart from their regular business as merchants, the necessity and value of which many half-informed persons fail to understand. High rates of Income-tax have been causing a severance from this country of great businesses which had their headquarters here but conducted large operations under partners resident abroad, who object strongly to double taxes and especially to the British scale which war has rendered necessary. Thus again we are losing control of foreign trade.

The Danger of Trusts.

It would be unwise to attempt more than to state a few points for consideration dealing with the situation in its larger aspects. No general statement can apply equally to all branches of commerce. The effects of the war are of infinite variety; one hears of sinking concerns which have been firmly established, of sound concerns which have been crippled, and the effect upon whole trades is extremely varied, so that men of business talk in language of all shades of pessimism and optimism.

Some tell us that great improvements in methods and machinery of production have been adopted under the stress of urgency, and that we shall continue to reap the benefit after the war. This is true, but can only apply to some departments of industry. Other departments the war has simply disorganised.

Some see in combination and larger scale of production great possibilities, and no doubt that is sound within certain limits and as regards some types of industry. But one thing we have to be very careful about. We must see to it that we are not let in for the system of vast dominating and domineering trusts whose wide-spreading tentacles crush all competitors and master other industries dependent upon them. The danger is not entirely negligible. We must apply the lesson of the experience of the United States of America. Those inclined to favour the Trust system may be recommended to study the Report of the Commission on the Meat Trust, which has found it necessary to advise the Government to intervene in a most drastic manner to protect both producers and consumers. Very large combinations do not have all the advantages on their side. From the point of view of giving a chance to talent, to independent personal initiative, of encouraging freedom and variety of enterprise, and for social reasons, there are strong arguments against allowing industrial undertakings on a moderate or even a small scale to be crushed out.

Some attach great importance, for the improvement of foreign trade, to an enlarged and reformed consular service. This is an excellent idea if you do not expect from it what it can never supply. It cannot take the place of individual initiative.

But all men of experience are agreed as to the magnitude of the business of commercial restoration and reconstruction. There will be new situations to face, old ground to recover, new ground to break up. New ideas and methods will be necessary. Complex problems will have to be solved. Our business men will require all their resource and courage to recover their country's old position in commerce and finance.

“ On the Side of Freedom.”

The question then arises whether the State can best assist the revival of commerce by continuing the control to which we have submitted during the war, or by restoring freedom to industry. I am clearly on the side of freedom. Our business men, whatever their determination and resource, will not be able to restore our industries if you insist on keeping them in shackles. How can they make engagements ahead, complex arrangements, if they are in fear and doubt lest at some necessary stage of the process some official with very little expert knowledge may absolutely stop them and destroy the whole of their plans? Every day now they are experiencing the effects of departmental control. It inevitably involves delay when prompt decision is essential. An

importer has an offer of tonnage, he applies for a permit; by the time the matter has been considered and he receives a reply, a foreigner has stepped in and secured the tonnage. He has a chance of a foreign order. Can he obtain some necessary material? Will he be allowed to ship the goods? Weeks pass before he can get these points settled with the controllers or directors, or subordinate officials. The business has passed him. There is always an element of uncertainty, which paralyses business. There is the irritating necessity of explaining business to people who imperfectly understand it. There is nothing more discouraging to enterprise than that.

The fact is that no Government department which the wit of man can devise can have the necessary knowledge to deal with the complex industries of this country. Nor do you improve the position by placing affairs in the control of super-business-men. Every business man knows that, however large and varied his experience, there is outside his sphere of knowledge an immensely larger field of which he has no experience. He has probably been successful because he devoted himself to his own business and has not had, like the fool, his eyes in the ends of the earth. The appointment of men actually concerned in a trade to control that trade is attended with other difficulties and dangers which will be obvious to every man of business. In short, bureaucratic control presents innumerable obstacles to the successful carrying on of business.

The strong and deep-seated objection to bureaucratic control is not based on theory but on four years' experience. The system has proved very costly, directly and indirectly. Its tens of thousands of temporary officials have been of all grades of competency and incompetency, experience and inexperience. Its well-meant regulations have often produced the opposite effect to that intended, as when it fixed prices in certain cases and diverted the whole supply from this country. There has been unnecessary and often rather arbitrary interference with legitimate and long-established channels of business.

Restrictions Must be Removed.

I do not believe that we shall see a real revival of industry until we get rid of restrictions, licences and permits and give free scope to the energy and intelligence of our men of business to adapt themselves to the new conditions of the world and the novel and difficult problems which will face them.

There is another reason why the State is deeply interested in a speedy revival of trade. Commerce has borne a very large and a special share of the new burdens of the war. The profits made in the manufacture of munitions on which a large amount of taxation has been levied will have ceased entirely, and unless our peace production is on a large scale the position of our Chancellor of the Exchequer, and, what is more important, that of the taxpayer, will be an extremely uncomfortable one.

There will be great opportunities for us in the future as well as great difficulties, but we shall, in my humble judgment, neither be able to take advantage of the one nor overcome the other unless we shake off the trammels of bureaucratic control.

Freedom for Labour.

The vast demands of war on its present scale very soon outstripped the capacity of our arsenals and armament works. The State, for the protection of the nation and with the concurrence of the people, had to compel

both masters and workmen to abandon their ordinary work and devote themselves to the manufacture of munitions of war. That meant bureaucratic control both of masters and men. This was submitted to more or less willingly, and in the end the plea of patriotic necessity has overcome the many troubles which have arisen. But no one who has been watching even cursorily and from the outside, the progress of events would suggest for a moment that bureaucratic control over labour has been an unqualified success, or even (except for its temporary purpose) a success at all. Though it might have been thought that the wide area of control would have caused broad views to be taken covering the whole field, that has not been the case. Remedies have been adopted to meet a special and limited difficulty, which have caused disturbance over the whole world of labour. There has been great inequality of reward; work of high skill has often brought lower wages than unskilled work.

It is unnecessary to dwell upon other points or to discuss the matter in detail, because solemn pledges have been given to workmen that full liberty will be restored after the war. It is idle to tell us that what we need is more discipline. What we must hope and work for is a whole-hearted national effort to bring about relations of better mutual understanding. It is essential that all classes engaged in production should appreciate the real economic position of the country—the facts that are hidden by the abnormal and temporary circumstances of the war. The workers will not accept statements on authority from Government Departments. They will judge for themselves.

Here a free independent Press not writing to a dictated policy nor acting as an instrument of Government, but openly publishing all the facts and discussing them impartially, will be invaluable. It is not enough to have them stated from the point of view of great capitalists, who control so many newspapers, nor from that of sections of labour alone, nor through propagandist organs. What we want is that all should have the means of understanding what the true position is and of watching how it develops under the new conditions, as affecting the whole nation, including all classes of labour, skilled or unskilled, well organised or not, as well as all the other classes of the community.

“The True Policy.”

For the true policy toward labour and, what is most important, the true policy of labour must be based upon the actual facts impartially stated, and generally understood. This is not the place to enter into discussion of the complex economic position, much less to venture upon prophecy. The forecasts of persons of experience on the outbreak of the war were not realised in the form or at the time they anticipated, though broadly and in the long run many of them have proved true. This much, however, may be said without hesitation. There will be an enormous amount of work to be done to restore our former production and our foreign trade, a still more extensive effort necessary to restore the ravaged territories of our Allies. The demands upon the raw materials of the world—for example in building materials, metals and coal—will for a time greatly exceed the supply. We and our Allies will end the war under very onerous obligations to the United States and some of the neutrals.

To place our economic structure upon sound peace conditions the one thing needful is a larger production at home of food, of raw materials and of manufactured goods. To my mind one of the essential conditions of larger production is the free goodwill of the workers. How is that to be obtained? It will come only if they clearly understand that large production is necessary to the nation as a whole, especially to the workers and their families, because the stocks of things useful to man, food and clothing and houses and machinery and, indeed, nearly everything, have been sadly depleted by the years of war, and must be made up if the necessary standard of comfort is to be maintained. Talk to them not of money but of things, and they will understand. They responded to the patriotic war appeal and production was increased to save the nation from defeat; they will respond to the patriotic appeal of peace.

But it will be fatal if action is taken which will cause them to think that they are being exploited under any plea. It is large production we want, not low wages. In fact, the point must be urged and proved that large production is necessary to maintain a good standard of real wages. The Whitley Report contains a valuable suggestion of machinery to make co-operation possible; it is based upon the idea of a more genuine and intelligent partnership between labour and employers. The greater efficiency the nation needs must be based upon better mutual understanding upon mutual goodwill and upon complete freedom.

Personal Liberty and Freedom of the Press.

The restrictions upon personal liberty which have been a necessary consequence of the war will pass away. The Censorship will vanish, to the great satisfaction of the Press and its readers. The suppression of information, which was justified on the plea of military necessity and was sometimes carried to dangerous lengths, will no longer have any justification. But I hope we shall have a free Press in a wider sense. I express this hope in the interest of the Press itself, because of its importance as a necessary part of the machinery of democracy, and in the interests of good government. An independent Press is a great safeguard against corruption, incompetence, trickery and falsehood. It throws light into dirty corners which, if left unswept, will become breeding places for disease-carrying insects. It exposes shams and tests realities. It is the chief supplier of information to the public, one of the great organs in the testing of all sorts of opinions, policies and projects. A free Press is an essential instrument of progress and national development. The leading articles matter little; the news columns matter much. If a newspaper states facts accurately and reports varied opinions impartially, the public will regard it as a good newspaper, whatever it may think of its editorials. The Press should be a true mirror of the world which it reflects.

V.—NATIONAL FINANCE.

BY RT. HON. LEIF JONES, M.P.

[The reader should bear in mind that this article was written just before the conclusion of the armistice with Germany.]

On May 4th, 1914, Mr. Lloyd George, then Chancellor of the Exchequer, introduced the last pre-war Budget. The expenditure for the year ending March 31st, 1915, was estimated at £209,203,000, the revenue at £209,455,000. The gross liabilities of the State were about £650,000,000. We had then a complete and effective gold standard; foreign exchanges were uniformly favourable, for our trade was large and flourishing; commodities in this country were cheap, good and abundant; Government expenditure was within reasonable limits, low taxation provided an ample revenue to meet it, and our national accounts balanced. As a nation we were rich, and growing richer.

Effects of the War Expenditure.

On April 22nd, 1918, Mr. Bonar Law brought in the last War Budget for the year ending March 31st, 1919. The estimated expenditure had grown to £2,972,197,000; the estimated revenue to £842,050,000, and the estimated debt at March 31st, 1919, to £7,980,000,000. During the war the expenditure has increased fourteenfold, the revenue fourfold, the debt twelvefold. The gold standard has ceased to be effective, the currency is depreciated, foreign exchanges are against us; commodities are dear, bad and scarce; taxation is heavy, yet wholly insufficient to meet our expenditure; our national accounts no longer balance. The Chancellor of the Exchequer spends what he chooses, raises what he can by taxation, and borrows the difference (estimated for 1918-19 at £2,130,147,000) at a high rate of interest. As a nation we are much poorer than we were five years ago, and we continue to grow poorer while the war expenditure lasts.

Included in the gross debt are loans to the Allies to the extent of £1,632,000,000, of which it is reckoned that one half (or £816,000,000) may be recoverable. To the Dominions we have lent £244,000,000, and the obligation of India is £64,000,000. Deducting these three sums (together £1,124,000,000) from the gross debt, we reach the figure of £6,856,000,000 as the net liability of the country at the end of the financial year.

Mr. Bonar Law claimed that this sum might be still further reduced by the value of stores of various kinds in the hands of the Government, estimated at £672,000,000 and by arrears of Excess Profits Duty to the extent of £500,000,000. But he made no allowance for expenses of demobilisation, or for unforeseen obligations at the end of the war, and it would be unsafe to reckon on the unseen assets being more than sufficient to meet the unknown liabilities. The gross debt at the beginning of November is already over £7,000,000,000, and even if the war ends at once, we must reckon on being left with a net liability of between £6,000,000,000 and £7,000,000,000.

The debt is greater than it need have been for two reasons, each of which has an important bearing on the future finances of the nation ; throughout the war

- (1) Too much money has been spent ;
- (2) Of the money spent, too much has been borrowed, too little raised by taxation.

(1) *War Expenditure.*—Since the war began the daily expenditure has grown with ever-increasing momentum. In the first months of the war it stood at the comparatively modest figure of $1\frac{1}{2}$ millions a day. By 1916 it was over 3 millions a day. In the current year it has been over 8 millions a day, or about £100 per second. Faced with the necessity of getting war supplies quickly, the Government has lacked the will or the capacity to get them, I will not say cheaply, but at a fair price. In time of war and national peril, the Government might fairly have claimed the services of the people at less than ordinary rates ; but except in the case of the fighting men, no such claim was made. Little effort was made to keep prices down, extravagance has run riot through the Government Departments until they have become a by-word among the people. Waste is ever an accompaniment of war, and as this is the greatest of all wars, so the expenditure and the waste have been the greatest on record. The Reports of the National Expenditure Committee, to whose appointment the Government in the middle of 1917 yielded a reluctant consent when faced by an irresistible demand within and without the House of Commons, have revealed some of the leaks through which the national millions have been poured away, and through some of which they are still flowing. It suffices to name Loch Doon, the national shipyards, the bread subsidy, the Ministry of Information, as instances of reckless expenditure, for which the nation has received no adequate return. The National Expenditure Committee, with Mr. Herbert Samuel as Chairman, has certainly justified its existence, and will now probably become a permanent part of the House of Commons machinery for controlling finance. Had such a Committee been set up at the outset of the war, national expenditure might never have attained its present dimensions.

(2) *War Taxation.*—In finding the money for carrying on the war, successive Chancellors of the Exchequer have preferred to rely on the fatally easy plan of borrowing most of what they required, instead of facing the difficulties and unpopularity of straightway imposing high taxation. On the basis of this year's estimates, we shall have spent during the five years ending March 31st, 1919, in round figures 10 thousand million pounds. Assuming a peace expenditure of £200,000,000 a year, this gives as the gross cost of the war £9,000,000,000. Of this sum £1,686,000,000 will have been paid out of war taxation, and £7,314,000,000 has been borrowed, raising the figure of our gross debt on March 31st, 1919, to the total named by the Chancellor of the Exchequer, £7,980,000,000. The true rule of taxation would have been to have raised from the first year of the war the maximum revenue possible by taxation ; the practice has been to raise the minimum consistent with financial solvency. The rule laid down by Mr. McKenna, and followed by Mr. Bonar Law, was each year to impose so much new taxation as would suffice to cover the extra charges for interest and sinking fund on the debt and for pensions, on the assumption that the war came to an end with the financial year. It is true that the observance of this rule has sufficed to secure financial solvency ; but by not aiming higher, our Chancellors

have deliberately refrained from using far and away the most powerful instrument for keeping down the expenditure alike of Government and of the people.

The Question of Higher Taxation.

Higher taxation would have diminished the spending power of the people by cutting down the margin they had to spare for comforts and luxuries. In its turn the diminished demand would have helped to keep down prices, and thereby lessened the total of national spending. On the Government the effect would have been even greater; for had the Government's power of borrowing been limited, Government spending would have been correspondingly reduced. Had it been the understood rule that a large part of all new expenditure would have to be met out of new taxation, the Government, faced by the necessity of devising and imposing the new taxes, would have striven hard to keep down prices, the lower range of prices would have diminished the total amount of money required, and the margin borrowed would have been doubly reduced.

Unhappily the rule was "limited taxation, unlimited borrowing," and the inevitable has happened. "Things are what they are, and their consequences will be what they will be." Borrowing has led to inflation, inflation to higher prices, higher prices to higher wages, higher wages to increased cost of production and still higher prices, and these again to higher wages, the nation being whirled along in a vicious circle from which no exit is possible, until borrowing ceases, and we begin once again to live within our means.

Fortunately that time is near at hand, and we must now consider how we are to deal with the War Debt, and the immediate tasks that will confront us when peace comes.

Demobilisation.

Foremost amongst them is the demobilisation of the fighting forces and the restoration to productive industry of the millions who during the war have devoted their energies either to actual fighting or to the manufacture of munitions of war. To accomplish this change quickly is important from every point of view; financially the change will be greatest of all, for instead of being a charge upon the producing power of the community, all these men and women will become producers, not only maintaining themselves, but contributing to the reduction of the war burden. During the period of demobilisation some of the war expenditure—at a rapidly reduced rate, let us hope—will continue; but with the fighting coming to an end in November, there is a large margin in this year's estimates, and no further borrowing should be required.

Scarcely less urgent is the demobilisation of the new Government Departments with their vast army of officials. And this may be no easy task. Called into existence by the pressure of war needs, reckless in expenditure, ready to brush aside actualities in the determination to carry through their own crude schemes, wielding autocratic powers with the self-confidence of ignorance and inexperience, these officials will not be ready to yield up without a struggle their control over the national resources and all the means of production and distribution. Yet at this moment "Protection against the Government" is in Mill's words as important as "Protection by

the Government." Nor will it be easy to reassert in Government Departments the old system of scrutinising expenditure and making ends meet. The reduction of public extravagance is among the most pressing of the post-war problems.

The Replacement of Capital.

With peace will come the necessity for the replacement of the capital of the country, which has been steadily diminishing during the war. Ships have been sunk, and not replaced. Our mercantile marine, which was some 20 million tons before the war, has been reduced to 15½ million tons. America and Japan have been building rapidly, and many years must pass before British shipping is restored to its old commanding position.

Railways have suffered through the removal of engines, carriages, rails, to the seat of war, the failure to renew and repair the rolling-stock, and the neglect of the stations and permanent way.

Mines and quarries suffer similarly for want of repair. Farm buildings and farm houses are falling into decay. Houses are neglected, and new ones not built, though the need is crying. Factories and machinery are all in the same case. There are no means of reckoning accurately the money value of all this deterioration, but it runs into hundreds of millions; probably 1,000 millions would be a moderate estimate, and it must all be made good by genuine savings; no manipulation of credit will avail. Goods have perished, and new goods must be made to replace them. There is no other way.

The Repayment of Government Securities.

The Committee on Currency and Foreign Exchanges after the War says in its recent Report:

"A primary condition of the restoration of a sound credit position is the repayment of a large portion of the enormous amount of Government Securities now held by the banks. It is essential that as soon as possible the State should not only live within its income, but should begin to reduce its indebtedness. We accordingly recommend that at the earliest possible moment an adequate sinking fund should be provided out of the revenue, so that there may be a regular annual reduction of capital liabilities. We should remark that it is of the utmost importance that such repayment of debt should not be offset by fresh borrowings for capital expenditure. We are aware that immediately after the war, there will be strong pressure for capital expenditure by the State in many forms for reconstruction purposes. But it is essential to the restoration of an effective gold standard that the money for such expenditure should not be provided by the creation of new credit, and that in so far as such expenditure is undertaken at all, it should be undertaken with great caution. The necessity of providing for our indispensable supplies of food and raw materials from abroad, and for arrears of repairs to manufacturing plant and the transport system at home will limit the savings available for new capital expenditure for a considerable period."

The First Year after the War.

"We must live within our means, and begin to pay our debts." In the light of these simple but pregnant words, let us examine the national expenditure and revenue for the first year after the war.

In his Budget speech on April 22nd, 1918, Mr. Bonar Law made a forecast of the revenue and expenditure for the year 1919-20, on the supposition that the war would be over during the current year. He estimated the expenditure of the first peace year at 650 millions, made up as follows :—

Pre-war expenditure (exclusive of the service of the debt) ...	£173,000,000
Pensions, 1919-20 ...	50,000,000
Add for normal growth of estimates, education, etc. ...	47,000,000
Interest and sinking fund on debt: $5\frac{1}{2}\%$ on £6,856,000,000 ...	280,000,000
	£650,000,000

The revenue is more difficult to forecast.

For 1918-19 Mr. Bonar Law's estimate was 842 millions, and for a year in which the new taxes imposed this year give a full year's yield 889 millions, made up as follows :—

Customs and Excise ...	£155,650,000
Estate Duties ...	31,500,000
Income Tax and Super Tax ...	328,350,000
Sundry ...	12,750,000
Non-Tax Revenue ...	60,500,000
Excess Profits Duty ...	300,000,000
	£888,750,000

Leaving out Excess Profits Duty, Mr. B. Law anticipated that the actual revenue for 1919-20 would be 654 millions, and claimed that the estimate was "on a conservative basis."

On these calculations, therefore, the first Peace Budget would show a surplus, without new taxation. It must be admitted, however, that the estimates alike of expenditure and revenue are highly conjectural, and the reality may provide large variations on both sides of the account. But these estimates show us that provided we are prepared to move cautiously, to pay off old debts before incurring new ones, and to meet new expenditure by increased output, and saving, there is nothing in the financial situation to alarm us or to drive us to revolutionary or extreme financial courses.

Rules of Equitable Taxation.

If the revenue is insufficient either for current expenditure or for the cost of reconstruction schemes, new taxation can be borne, provided that in selecting the new imposts, certain simple rules of equitable taxation are observed. Mr. Asquith stated these rules with his accustomed brevity, clearness and completeness in his speech on "Problems of the Peace" at the National Liberal Federation Council meeting at Derby on March 22nd, 1918. He said :—

"Taxation must in my judgment satisfy three conditions :—

- (1) It must not fetter the free and natural development of our industries and of our markets.
- (2) It must not check or penalise, directly or indirectly, saving and accumulation.
- (3) It must be so adjusted by graduation and discrimination as to apportion with far more equality than has been possible under our present system the burden of payment to the capacity to bear it."

On these safe lines this country can not only shoulder with equanimity the heavy burdens of the war, but can provide the funds necessary to make good the ravages and neglect of the last four years, and to rebuild our national life on sound, healthy, happy lines. It will not be done in a day; it requires faith, effort, perseverance, and a dogged adherence to industry and thrift, the true sources of national wealth and well-being.

Patience is not, however, the predominant note of the moment, and even among economists are found some who counsel violent change and heroic methods. They declare that present-day taxation is already too heavy, and that the taxpayers will not bear the additional charges required to meet necessary new expenditure. They therefore call upon us to take an unprecedented step, and while we are still weary after the mighty struggle from which we are emerging, they bid us undertake to pay at one blow the whole or a large portion of the debt, by means of what is called "a capital levy." Borrowing an analogy from the Compulsory Service Acts, they demand the "conscription of wealth." The very name contains a question begging assumption, implying that as soldiers have been conscripted to fight, so the wealth of those who are not soldiers (and incidentally of those who are) should be seized to pay the debt. In truth, however, the analogy has little meaning. All taxation is and always has been conscription of wealth, since it is the compulsory contribution of the taxpayer for the cost of public services. Moreover all taxation is paid by persons, and no question of principle is at stake in basing the taxpayer's contribution on his saved up wealth, on his income, on his expenditure, or on some other standard that may enable us to determine fairly his taxpaying capacity. The proposal is not to be accepted or rejected without examination. It is purely a question of expediency, but not unimportant on that account.

Paying off the National Debt.

There is nothing new in the proposal that we should pay off the whole of the National Debt by one great effort. Ricardo put it forward after the French war 100 years ago, urging that the debt entails a charge on the income of the future, and that there is little object in delaying repayment which must ultimately be made; but he coupled it with a governing condition that the country which intends to extinguish its debt must indulge in no fresh borrowing.

So to-day advocates of the capital levy tell us that it is to be made once, and once only; that the occasion is special and unique, and that there would be no repetition in future. If, however, the financial method is sound and expedient, why should it not be repeated? Moreover, what possible value attaches to an assertion of this kind. No Parliament can bind its successor, and the declaration that a particular action is special and unique and not to be repeated will not prevent it from being quoted as a precedent when the occasion arises.

Extravagance of Government Departments.

At this moment we have a system of Government by Departments with an ingrained habit of extravagant spending. Nothing will break them of this habit but the pressure of public opinion demanding a limitation of spending in order to reduce the burden of taxation. To such a Government,

anxious to indulge in magnificent and costly enterprises at the public expense, the knowledge that a large sum could be raised by merely seizing another portion of the realised wealth of individuals, would be an irresistible temptation. The precedent would be duly invoked, another levy would be made, the lavish spending would continue for another period, and the time of economising would be postponed to a more convenient season. Professor Scott does well to insist, as he does in the "Economic Journal" for September, that "the great post-war financial problem will not be distribution of taxation, nor productiveness of revenue, but the disciplining of expenditure in order to secure results adequate to the outlay."

The Investment of New Capital.

As we have already seen, with peace will come a great demand for the investment of new capital in all manner of industrial enterprises, and this gives special emphasis to Mr. Asquith's second canon of sound taxation that, "It must not check and penalise, directly or indirectly, saving and accumulation." Yet this must be the tendency of repeated taxation of capital; for it would be a direct invitation to all producers of wealth to consume it as fast as it is made, because only by consuming it could they have security against being deprived by the Government of the enjoyment of spending their earnings.

If people can say truly:—

"What I spent, I had,
What I saved, I lost,"

a deadly blow will have been struck at the nation's power of accumulation, and the new capital so urgently required for future production will not be forthcoming. To be sure, all high taxation is a drag upon accumulation, and this is marked in very steeply graded Income-tax and death duties; but it is most salient in the case of a definite capital tax, and for that reason economists have generally deprecated such a tax. At this time saving is a national service, and it is all-important that men should know that their savings will be scrupulously respected.

A Capital Levy.

The supreme practical difficulty in the way of a capital levy is the valuation involved—a difficulty so great as to be almost insuperable. Capital value is an abstraction, an estimate which may or may not be realised. The income of a given year is an ascertained fact; and for that reason is the safest and most convenient basis for taxation. It is no doubt easy to value stocks and shares, which are quoted in the Stock markets of the world; but when capital is invested directly in industrial and commercial enterprises, its valuation is largely a matter of speculation. Moreover, in such cases the taxing authority would often, perhaps generally, be driven to leave its share invested in the business, and be content with a mortgage upon it, receiving a payment of annual interest upon the supposed value. What is this but a new Income-tax on the profits of the business affected. Similarly in most of the difficult cases the capital levy would resolve itself into payment by instalments spread over many years—again a practical addition to the Income-tax.

This brings us to the conclusion that the capital tax is, perhaps, after all, best kept in the purely subordinate position which it occupies in our present system of taxation. In the shape of death duties, it serves the legitimate purpose of filling in the gaps left by the Income-tax, by raising annually some taxation in respect of non-income-paying property. With the death duties and the Super-tax, the Income-tax has shown itself an instrument powerful enough to enable us to surmount all our financial difficulties, and the case has not been made out for the substitution for its proved efficiency of the uncertain results of a new capital levy.

The Strength of our Financial System.

The moment for a revolutionary change in our financial methods is surely ill-chosen. We are just emerging from the stress of a great war; for $4\frac{1}{2}$ years we have poured forth treasure with both hands; our expenditure has been on a scale undreamed of; yet to-day we are triumphant and solvent. The structure of our national finance, founded on the teachings of Adam Smith, and erected by master builders like Peel and Gladstone, has weathered the fiercest storm it can ever be called on to face. We can pay our debts; our credit is still good; we can provide out of revenue for all requisite new expenditure. The burden can and ought to be spread so as to put no pressure upon the necessities of life, to fall nowhere crushingly, but most heavily on those best able to bear it. Time has proved the strength of our financial system, and we can adapt it to all new needs.

VI.—FREE TRADE.

BY THE RT. HON. J. M. ROBERTSON, M.P.

I.

It has been evident for more than two years past that the war has been taken by the British Tariff party as a pretext for a new offensive against Free Trade. Two strong currents of national feeling have been turned to account to work a change in opinion on the fiscal problem which during ten years of debate it was found impossible to bring about. Righteous wrath against Germany on the one hand, and gratitude to our self-governing Overseas Dominions on the other, are sought to be exploited in favour at once of a general tariff on manufactured imports and an Imperial Preference. On both heads highly conflicting proposals are current; and it is important at the outset to make the issues clear.

Exclusion and Tariffs.

1. The desire to *exclude* German goods is founded on as a ground for a tariff which will not exclude them, but will merely raise the price of any that may come in. These will certainly, for a long period, be in small quantity as compared with pre-war imports; and they are the more likely, therefore, to consist only of such things as are specially useful to British industry or agriculture, as, for instance, fertilisers. A tariff will make fertilisers more costly, and thus tend to "depress agriculture."

2. But though resentment against German crime is used as the main pretext, the proposal commonly put is that *all* imports of manufactures shall be subject to a tariff. There is no definite official programme thus far before the country; but the common notion appears to be that (1) Empire goods should come in at the lowest rate; (2) those of Allies at a higher tax; (3) those of Neutrals at a still higher tax; and (4) those of Enemies at the highest tax of all.

3. Thus the tariffists propose, as soon as the war is over, to put us on a hostile trade footing with even our Allies as compared with our Dominions, and with Neutrals as compared with Allies.

It is not clear whether our tariffists expect our Allies, thus partly penalised in our markets, to treat enemy goods in the same way as we do. If such an expectation is entertained, it may suffice to say at once that it will certainly not be realised. Belgium and France, to begin with, count with just confidence on exacting from Germany reparation for the enormous destruction she has wrought upon their territories. Such reparation can be made only in kind, in actual things—goods, machinery, furniture, clothing, ores, metals, industrial material, building material, chemicals, hardware, and so on. The common-sense course is to exact such reparation under a fixed schedule of values; and

the levying of a special tariff upon goods so exacted would be a meaningless act, as the goods would be consigned to the respective Governments, and left to them to distribute.

Russia, on the other hand, even when freed from the obligations of the Brest-Litovsk Treaty, will inevitably trade largely with the Central Powers. She is their neighbour geographically, and can nowhere find markets that would compensate her for a cessation of trade with them. Italy, yet again, is in a somewhat similar position.

Tariffs will hamper British Trade.

If, then, Britain should give to her Allies only second-best tariff treatment, there is every probability that Germany will offer them most-favoured-nation treatment. Still more certain is it that she will offer such treatment to the Neutrals, who in terms of the current British tariffist proposals are to have only third-best treatment from us. Thus, as far as tariff penalties could bring it about, our former trade with both Allies and Neutrals would be driven into the promptly opened arms of Germany, who would find her instant profit in encouraging what we discouraged.

Let it be asked, With whom is Belgium to trade if we put new obstacles in the way of her former trade with us? and the folly of the new proposals will be apparent. Belgium, we trust, stands to receive from Germany, as reparation, very large quantities both of raw produce, of machinery, and of manufactured goods as fast as Germany can be made to deliver them. Should Belgium, in the course of trade, desire to dispose of any of those goods in Britain, in virtual exchange for goods that she may desire to buy from us, a tariff will have the same deterrent effect on the process as it would have if the goods had been Belgium's own produce; and her natural course will be to trade with any other country that will give her more favourable terms.

The policy proposed by our tariffists, then, is absolutely bound to hamper and frustrate British trade in all directions. And if, as seems highly probable, the United States refuses to set up preferential tariff rates against Neutrals after the war, she will stand to gain much of the manufacturing trade which we, if we turn tariffists, wilfully divert from ourselves.

It is necessary to keep in view that the tribute of goods by which alone Germany can pay compensation for the destruction she has caused must go on for a number of years. Tariffists appear to suppose that the whole transaction can be carried out by bullion and paper, as was the payment of the French indemnity in 1871. But all the bullion of Europe, were it in Germany's possession, would not nearly suffice to meet her obligations. Even the payment of the French indemnity of £200,000,000 was spread out over a considerable time. The German indemnities will be many times larger, and can be paid only by years of tributary industry.

The Proposed Boycott of German Goods.

It is thus evident that those who talk of a *boycott* on German goods are in effect proposing that Germany shall not be made to pay any indemnities save what she can give in bullion. On the other hand, if it be proposed to exclude German goods from our markets *after* the indemnities have been made (a matter which might very well be left over to deal with when the time comes), it has to be pointed out that neither a prohibition nor a special tariff could be

relied on to attain its object; for German capital would then be likely to be employed in manufactures in the surrounding neutral countries, and its produce would come to us as Neutrals' goods.

Thus, heartily as we may all sympathise with the wish to penalise Germany in the future through her industry for the innumerable crimes committed by her soldiery during the war, it becomes clear that tariffs and boycotts cannot have the desired effect. If punishment can be legally inflicted on the identifiable criminals who may survive the war, well and good; but tariffs on our part will merely penalise ourselves. And, though Germany has no claim to charity at our hands, it can hardly be a plan of action for a civilised State to set up a fiscal system with the express object of impoverishing her people at the cost of proportionally impoverishing our own. We should then be merely penalising the wrong people all round.

II.

Thus far, our argument has not taken account of the express declaration of President Wilson that after the war, when, as he and we all hope, a League of Nations will be set up to maintain for ever the international peace of the world, there ought to be no differential tariffs at all. But that declaration must be reckoned with; and it is to be observed that our tariffists are in effect declaring themselves against it, proposing as they do to begin with Imperial preferences, differentiating successively against Allies, Neutrals, and Enemies. Some have even proposed to penalise unfriendly as distinguished from friendly Neutrals. All this means progressive conflict in policy with our greatest Ally, whose advent in the war has determined the triumph of the Allied cause.

Imperial Preference.

At the very first step, Imperial Preference, we should be taking up a hostile attitude to the States. Many tariffists seem to suppose that we can give preference to our Dominions in respect of the manufactured goods we take from them. But such manufactures are very small in amount. Of the £12,000,000 worth of imports so described in the returns for 1913, nearly £10,000,000 worth was really semi-manufactured material, as metals, leather, and jute, the virtual raw material of great British industries. A preference on the remaining imports of fully manufactured goods can be of no value to the trade of the Dominions in the lump. If a preference is to be given by which any considerable part of their population can profit, it must be, as Mr. Asquith insisted from 1903 onwards, upon foodstuffs and raw materials.

Now, our trade cannot possibly afford duties on raw materials; and tariffists have generally professed to recognise this. Further, Mr. Lloyd George and Mr. Bonar Law both declared in April, 1917, that the Imperial Preference which the present Government proposes to set up after the war is not to involve any taxation of food imports. That, as Mr. Lloyd George justly declared, would be an intolerable hardship to the British people. Preference, then, must be limited to the very small amount of finished manufactures which we take from the Dominions, unless, as is to be gathered from certain utterances by Canadian statesmen, an advantage is to be conferred upon Canadian trade by a system of subsidised shipping. And this, in point of fact, seems to be the intention.

No doubt, relatively cheap freights would be as real an advantage to Canadian producers as any that could be conferred by a preferential tariff. But it is perfectly obvious that no such advantage will be allowed to subsist. The plain purpose being to help the trade of Canada with Europe as against that of the United States, the Government of the United States will infallibly protect its trade by the same methods. The moment a British subsidy is given, a countervailing American subsidy will follow; and we shall be embroiled in an utterly unprofitable as well as utterly unworthy freight-war with our greatest Ally.

No "Commercial Doles."

Such a consideration is sufficient to condemn the scheme of freight subsidies at once and for ever. Our gratitude to our Dominions cannot, in any case, be fitly expressed by commercial doles, which have the effect of putting a money price upon services that ought to be regarded as above all price. But still less fitly could gratitude to our Dominions be exhibited by a course which flaunted ingratitude to our Ally. It appears to be left to Free Traders to remind the nation that there are considerations of national honour and decency that are not to be measured in trade gains, even were the planned gains practicable. Here they are not.

III.

It remains to deal with one plea which has of late done much special service to the tariff cause—the plea, namely, that the war has shown the necessity of safeguarding certain "Key industries" so called. A number of industries are more or less vaguely referred to under this heading; and in the exhibition of "New" and "Key" industries lately organised by the tariffist party in London, such products as those of the leather and the rubber industries, graphite, mica, steel and other metals, asbestos, and so on, are included. Thus the public are invited to see in golf-balls, sand-shoes, suit-cases, handbags, and unbreakable toys, industries that need protecting, while the dye industry is represented on the one hand by a variety of chemicals in jars, and on the other by ladies' hats, men's hats, flags, large and small, and other articles, "depending on dyes."

The "Key Industries."

Under that classification might be put the whole textile industries as such. It is necessary to put clearly the real issues, here as before.

1. Industries whose products are essential to munitions, and which depend upon imports, may be classed as military industries, and so considered. If the Peace is to be worth the War, there ought to be no cause for serious concern about military industries as such, when once it is made secure. But, to curtail argument, it may be granted that Governments may for some time reasonably be on their guard against a reversion to war, and with that object may propose to keep on foot all industries which supply military necessities.

2. There are certain industries, such as that of dye-making, which not only yield by-products essential to explosives but supply main products vital to great trade industries, for which in the past we were mainly dependent upon Germany. It was actually contemplated, when British Dyes, Limited, was established early in the war with State aid, that it should be put in a position to produce dyes after the war in competition with Germany or any other country.

To secure the existence of industries of these two classes, it is claimed that we must set up protective tariffs. The Free Trade answer is that wherever good reason can be shown for the safeguarding of such industries, it ought to be done by subsidies, not by tariffs; or, alternatively, that the State should actually run the industries, or at least those which are of a directly military character.

In the case of dyes in particular, a protective tariff would be a positively ruinous method of safeguarding the industry. The real reason for safeguarding it is not that Germany might undersell it but that Germany might, after underselling, refuse to supply in the event of the British industry falling. Not merely dyes, but cheap dyes, are vital to our textile trades. To raise the price of British dyes by a tariff, while Germany supplied herself and other countries with cheaper dyes, would be to throw our trade out of competition with its chief rivals. It must have its dyes at the world price, if not at less. The only rational course, then, is to leave the price of dyes to be determined by world-competition, while subsidising the British industry so long as it may be necessary to enable it to hold its ground.

Subsidies must be closely watched.

The same argument holds good in the case of any other industry which can be shown to be essential either to national safety or to the successful competition of the great industries. To put a tariff on *steel* for instance, would be to begin the destruction of the British shipbuilding industry, and many others. In that case even subsidies are out of the question. And there must be a strict inquisition as to the need for any State aid in any other case. The claim that graphite and rubber need protecting is not easily intelligible. Our supplies of these are in no way controlled by Germany; and our manufactures from them should be able to stand on their own feet. If we are asked for a protective tariff on golf-balls, tyres, and other rubber goods, we are entitled to know why British manufacturers need help in these cases; and so with magnetos, gas mantles, and any other articles, "new" or old, in British industry. And in any case, if help is to be given, it must be by subsidy, with a strict audit of the books of the concerns subsidised.

It is sometimes pretended that tariffs will secure efficient production and that subsidies will not. This is certainly false as a general proposition. The notorious case of the woollen manufactures in the United States—to take a notable instance—proved that a large and important industry supported by a tariff in a highly progressive country can by reason of that protection become backward and inefficient. If subsidies have in the past been paid without securing efficiency, the more reason to make efficiency a condition of subsidising. If producers dislike controlled subsidies so much as to be prepared to do without them, so much the better.

The essential points are (1) that a tariff enriches indefinitely and unwarrantably those whose profits it automatically raises, while a proper subsidy gives only that amount of aid which can be proved to be required to maintain the given undertaking; and (2) that a tariff, by raising the price of one article, passes on increases of cost in many directions, while a subsidy does not. The tariff injures contingent trade, besides burdening the consumer; the subsidy does not. And if it be argued that a subsidy has to be paid out of State revenue, the answer is that that is a very good reason for the closest scrutiny before giving any State aid whatever, and for withdrawing it as soon as the aided undertaking can stand by itself; while on the other hand a tariff, once imposed,

is extremely hard to remove, precisely because there is no way of exactly checking either the amount of extortion it unnecessarily inflicts on the public or the extent to which reliance upon it makes the beneficiary heedless and inefficient.

IV.

The special pleas made for a resort to tariffs after the war having thus been examined and dismissed, it is worth the while of Free Traders to bring out the positive side of their case, which in the past has sufficed to retain the allegiance of the British majority through half a century of "revivals" of protectionist propaganda; and above all during the ten years of unceasing debate which preceded the war.

The Reason for the "Open Door."

It seems to be always necessary, for one thing, to explain that we did not resort to Free Trade by way of doing a good turn to other nations. The ordinary conditions of competitive retail trade in peace time, whereunder sellers ask the "favour" of being purchased from, tend to encourage the tariffist view that when we buy from a foreigner we are doing him a kindness. The trying experience of purchasers, especially of food, in war time, has had the educative compensation of revealing that the purchaser is really no more favouring than favoured. Our "open door" was so set in our own interest, and to our own interest it has redounded. We never bought German or any other goods because the sellers asked us to "favour" them; we bought solely because we were satisfied that it was to our advantage to do so.

The tariffist claim has always been that in buying from the foreigner we were (in general or often) withholding trade and employment from our own countrymen. Many times over has it been demonstrated that this is false. Unemployment was at its lowest precisely when imports of foreign manufactures were at their highest. In so far as a few home industries were undersold in the home market, their workers were turned to more efficient or more profitable production of other kinds. Every imported article was either part payment of interest on British investments abroad, or of freights carried by British ships, or of insurance with British concerns, or was part of the return for British goods exported. And it is nonsense to pretend that home producers could have consumed all the exported goods if theirs had been taken in exchange. They could not have consumed the exported British ships and locomotives.

The Question of Unemployment.

As against the pretence that British unemployment was caused by imports of foreign goods, we have to point to the notorious fact that the greatest trade depressions of modern times originated in the highly protected United States, an enormous unemployment there giving rise to a less unemployment here, while American and other manufactures partially *ceased* to come in. It was lack of employment in manufactures for *export* that mainly constituted or initiated the depression here.

And while British trade has expanded most rapidly and most triumphantly in the very decade in which, before the war, our tariffists were maintaining that only under a tariff could it prosper, the wages of British workmen have remained all along the highest in Europe. Before the war, the tariffs

organisation was assiduous in sending groups of them over to Germany by way of showing them the superiority of German "Kultur," but it could not, even with the assistance of conductors warranted to exhibit only what it was convenient to show, suppress the vital facts as to wages, hours of work, and prices of food and clothing. If any lessons were to be learned from German frugality, method, education, and organisation, it is to be hoped that our tariffists will not fail, after the war, to inculcate them.

But as to the essential facts about German industrial well-being we may cite, as tolerably impartial, the testimony of Mr. Gerard, the Ambassador of the highly tariffed United States to highly tariffed Germany in the period just before the war. Thus he expresses himself :—

"The German working man, undoubtedly the most exploited and fooled working man in the world, is compelled not only to work for low wages and for long hours, but to purchase his food at rates fixed by the German tariff, made for the benefit of the Prussian Junkers and landlords." (*My Four Years in Germany*, New York, 1917, p. 269).

And again :—

"With the low wages paid to very efficient workmen who worked for long hours, and with no laws against combination, it was always a matter of surprise to me that the Germans, who were in the process of getting all the money in the world, should have allowed their military autocracy to drive them into war." (*Id.* p. 275.)

The Truth about Tariff-protected Trade.

Here, however, we must incidentally correct Mr. Gerard at one point, in order to get the explanation of which he is in search. The British reader will observe that the German workers had a poor time of it under the system which our tariffists were so eagerly urging our workers to adopt. But the German profiteers who exploited them were *not* in process of getting all the money of the world. The vital truth about tariff-protected trade, which it behoves us now more than ever to realise, is that *it is nationally less profitable than Free Trade.*

The explanation is simple. The tariff-protected trader makes his profits mainly out of his fellow-countrymen. For this very reason, he is, as a rule, ready to sell cheaper abroad than at home; he must often do so in order to get a footing in foreign markets, especially in Free Trade markets. The tariff raises his costs of production, and his fellow-countrymen must pay to enable him to sell at lower rates abroad. That is how the tariffist watchword of "making the foreigner pay" really works out in practice, and how it would work with us if we tried it. The residual fact is that the profit *accruing to the nation* is less under tariffs than under free imports.

And that, probably, is why the German trading class were in the main willing participators in the war—for they were certainly not in general opposed to it. Their trade was not so profitable as they had wished it to be; the whole finance of the nation was in consequence speculative and precarious. Down till the other day, they were all hoping against hope to find relief in the indemnities they had counted upon extorting from the Allies.

The Wealth-earning power of Free Trade.

The superior wealth-earning power of Free Trade is very practically demonstrated by the war finance of Britain. Besides raising enormous loans,

and financing every one of her European Allies, she has raised by fresh taxation an annual excess revenue which Germany could not dream of trying to obtain. British Free Trade has built up a population far more capable than the German of bearing new taxation and lending to the State. With fifty per cent. more of population, Germany was much less strong financially.

When tariffists retort that the protected United States, in turn, has financially aided us, they in effect complete their own confutation. The United States, with nearly thrice our population, has twenty times our natural resources, and constitutes the main part of a vast continent, as against our little islands. And that great Commonwealth, with its enormous territory, its immense resources in coal and iron, in food production, in its yield of cotton and tobacco, against which we have no competing produce, whatever, is the only State in the world to which our protectionists can point as having greater financial weight than the little British Islands have accumulated under Free Trade.

V.

There is one more word to be said on the moral side of the matter. President Wilson, a Free Trader, is now appealing to the civilised world to seek, under the League of Nations, a system of trade relations under which, whether with or without a tariff, each shall treat the others alike. Hitherto, it was Britain who above all other nations, Holland alone excepted, gave the world the object lesson of the Open Door, putting import duties solely for revenue purposes, thus injuring no competitor in her own markets, since excises were levied where the articles taxed were such as, or substitutes for, articles we produced at home. To that extent, Britain has wrought for international peace and good-will.

The Neutrals and Free Trade.

The war has shown whether she gained or lost by it on the human side ; whether Free Trading Britain or tariffed Germany had most friends in the world. Among the friends of Britain are many Neutrals who look to her to keep flying the flag of Free Trade, which they would fain see put up in their own countries. To them, the news of a tariffist " revival " in Britain during the war has been a bad hearing. It is folly to say that they profited by our Free Trade, and want to do so in future ; no one of the Neutrals can hope to compete in wealth with Britain in this epoch. They looked to Britain as the unyielding champion of a great ideal, the ideal of internationalism.

It is the flag of the contrary ideal, " not internationalism but nationalism," as Mr. Hughes puts it ; nationalism, that is to say, in trade, that we are now being invited by our tariffists to run to the mast-head. They call upon us to penalise our Allies, to flout the appeal of President Wilson to the nations, to proclaim that we are concerned first and last about " our own kith and kin " ; this after the war of wars, in which France has unfalteringly stood by our side, bleeding but invincible, and the American Republic, surely part of our kith and kin, has come to our succour with a magnificent generosity of comradeship, not to be outshone by even the noble fraternity of our own Dominions.

To what end ? If it could be shown that it would pay us to forswear ourselves, we might still shrink from the course. But, as we have seen, it would not pay us but plunder us. There is " no money in it," either for us or our kith and kin. It is with a hope of gain, certainly, that the course is urged ;

but so far as the interest sought is a national one, the hope is the illusion of men who have never shown themselves competent to handle fiscal problems. The one kind of gain possible is the individual or class gain of the tariffist profiteer, the kind of gain that was made by the tariffists of Germany, mainly at the expense of their own people, and with the results to civilisation that we now see.

Dangers of new Commercial War.

Noting the omens, we call upon our people to refuse the sinister tribute that it is thus proposed to pay to German ideals. Our own were better before the war. They must remain better after it. Not a word of rational argument has been advanced to the contrary. And if, defying rational argument, we allow ourselves to be driven by our own profiteers into a new commercial war with the rest of the world, there is a fair prospect that Germany, forced by sheer hunger to abandon her food duties, and led by her plain interest to cultivate the best possible trade relations with all other countries, will step into our place and policy, and become the free-trading industrial nation of Europe.

In that case, any harm we could hope to inflict upon her by withholding from her the raw materials of the Empire, as is proposed by Mr. Hughes, would amount to nothing. Mr. Hughes's policy, which he proposes to apply to our Allies as well as to Germany, would result in our being refused the raw materials (such as cotton) which we required to buy from the rest of the world while a free-trading Germany would soon have that universal access to raw materials which we have had in the past.

From such a ruinous reversal of the national positions, undoing by folly in peace all the gains of all the years of war, it is the business of the Liberal party to save our State.

VII.—IRELAND.

BY THE MOST HON. THE MARQUESS OF CREWE, K.G.

There are many social and industrial questions which cry out for prompt action by Parliament as soon as may be, when the mind of the country is again composed, and when labour and material are once more freely available. But the problem of the future government of Ireland stands by itself. Its solution does not in the same way hinge upon restoration of the material conditions that attend peace. The war may have made it in some directions easier, and in some others harder; but peace will not of itself promote even such a temporary or partial settlement as twice during war-time has seemed to be within our sight, though never positively within our grasp. The dangers of continued failure to conquer the difficulty, indeed of further delay in facing it, are too obvious to need emphasis here.

Home Rule in fact Secure.

The future is conditioned, nobody must be allowed to forget, by the existence of the Government of Ireland Act of 1914. It is, therefore, unnecessary now even to summarise the familiar historical and practical arguments which combine to make the case for Irish self-government so overwhelming; Home Rule is in fact secure, and only its exact application remains uncertain, because of the narrow and sometimes arrogant opposition of the extremists in the North-Eastern counties of Ulster. That opposition, as we all remember, was in full blast in the spring and summer before the war, and played a definite part in encouraging the German belief that England would be impotent to join in repelling her shameful world-policy of aggression.

On the other hand, the Liberal Government then in power never contemplated the use of what would now be called "Prussian" methods to enforce a political reform in Ireland. Indeed, so long as there was no repetition of the violence which had disgraced Belfast in 1886, the Irish Government, knowing that the fears of Protestant Ulster were genuinely and keenly aroused—though with small justification—desired to overlook much that was provocative, and even inimical to law and order. The situation was full of difficulty; but as events proved, the example of defiance found plenty of imitators in a country where Government has for generations been the warder, rather than the leader, of opinion; and in less than two years Fenianism attained a growth which it had not known for just half a century. For this it is impossible not to hold the Orange extremists partly responsible; some Unionists, as we shall see, were prepared to advance on a more excellent way.

The Liberal Party's Conciliatory Policy.

But at that time, as since, the Liberal Party desired, and its leaders attempted, to meet the other side as far as could be without compromising the

cause of Irish Nationalism, of whose justice they had long been convinced. The Amending Bill of June, 1914, which offered option to any Ulster county to stand out of the general scheme for six years at any rate, failed because the House of Lords, following the extreme Ulster rather than the general Unionist view, insisted on the permanent exclusion of the whole of that Province and on its government from England. The Conference at Buckingham Palace, summoned as the final chance for an agreed settlement, broke down after four days on a similar question of the area of exclusion.

Then came the war, and the swamping of all other interests and causes ; the main Bill became an Act, unamended but marked down for amendment. Ireland carried on, and Irish regiments played their customary parts in the forefront of many battles. Easter, 1916, saw the lamentable Sinn Fein rising in Dublin, coupled with the abortive landing from Germany of the traitor Casement. The reanimated Irish Republican Brotherhood—which had lingered on obscurely through the agrarian agitation, in which it never showed prominently as an organisation—now inspired with new vigour by a youthful and intellectual element, had lifted its head with a vengeance.

The loss of life and damage to property were considerable, and in other times would have been thought very large. It is only fair to observe that the outbreak was put down with greater leniency than would have been displayed in any other country, either of the Old or of the New World, in the parallel event of a national rising ; but it is equally true that the execution of some of the leaders has rankled in the minds of many Irishmen not themselves sympathetic with active rebellion. After it was over it was felt that the air might be cleared, and that, as was said in the House of Commons, there was “ a unique opportunity for settling difficulties.”

The Policy of Exclusion.

Mr. Lloyd George's recognised capacity for conciliation and his powers of persuasion were brought into play amid almost universal approval. His conclusion, which it is important to note was accepted by both the Nationalists and Unionists of Ulster, involved the immediate inception of Home Rule, except for the four Protestant counties of Down, Antrim, Londonderry, and Armagh, with the more disputable areas of Tyrone and Fermanagh, all of which were to be excluded during the war and for twelve months afterwards. A speech in the House of Lords by Lord Lansdowne, then a Cabinet Minister, was considered by the Nationalists to be minatory in tone, and did not clear the atmosphere ; but the scheme finally collapsed through a dispute over the retention of the Irish members in the House of Commons. Mr. Lloyd George had suggested their remaining in full force ; but the Unionist Ministers held that the intervention of a General Election might thus give Ireland undue weight in determining the future of the United Kingdom after her own representation in the House of Commons was reduced, and they declined to assent.

It is abundantly evident that the policy of exclusion, as it is called, in itself has, and deserves to have, but few friends. It has always been disliked by the Unionists of the rest of Ireland for obvious reasons ; and Lord Lansdowne, who was for long their principal spokesman, has often mentioned it with aversion. Even the Ulster Protestants, for whose comfort it is designed, regard it as an unhappy makeshift ; while the speeches of Nationalists abound in reprobation of any such plan. “ A unit,” said Mr. John Redmond in 1913, “ Ireland is, and must remain, and we can never assent to any proposal which would create

a sharp eternal dividing line between Irish Catholic and Irish Protestant"; but there is virtue in the word "eternal," and some may think that the experiment of 1916 might have been accepted by Nationalist Ireland even in its less favourable later form.

The advantage of seeing Home Rule in actual operation would have counted for much, both in dissipating honest fears, and in quenching the extravagant hopes of separatist Sinn Féiners; and believers in the efficacy of self-government will be slow to credit the six counties with lasting resistance to reunion after witnessing the actual working of the machine, and thus better appreciating the nature of the civic safeguards needed, or conceivably needed, to secure their special interests.

The Question of Compulsory Service.

Meanwhile a new disturbing element became apparent in Irish affairs. In the early Autumn of 1916 the application of compulsory service to Ireland began to be mooted, as some thought less in hope of securing a large number of recruits than as a penalty for disloyalty and unrest in parts of the country. But in a land of small farms many exemptions from service would fairly be claimed, while in rural Ireland it was clearly impossible to set up local tribunals to adjudicate on such cases. Apart from this, the idea of conscription was repulsive to Ireland for several reasons. The deplorable failure of the War Office to hail and encourage the first burst of enthusiasm for voluntary recruiting in Ireland was sorrowfully admitted here, not least by Mr. Lloyd George in the House of Commons on the 18th October, 1916.

Compulsion for any purpose is little liked in Ireland, and was deemed specially unfair when the population had dwindled through the emigration of so much of its young manhood during years of British administration. Lastly, the principle of nationality was invoked in support of free choice for one division of the United Kingdom in such a matter. But none the less the abstention of some of the youth of Ireland at such a crisis was publicly deplored by Mr. John Redmond and other Nationalist leaders, and by their British friends. This was not England's quarrel, it was felt, but a world-fight for justice, and against such tyranny as was shown by the martyrdom of Belgium; so that it would not do for Irishmen to pass by on the other side.

The example of such men as Major William Redmond and Professor Kettle, has indeed inspired many, and has set the devotion of Irishmen beyond the reach of reproach. But the policy of compulsory service, closely linked to the denial of Home Rule, has indeed proved to be a ghastly mistake, and it is difficult to understand how it ever was contemplated. That the quota of soldiers from Ireland remains far short of that from the other three divisions of the United Kingdom is partly due to different conditions of life, but more to the action of British Governments in the past. In a real sense Ireland may be said to be the loser now; but it does not lie with us to apportion the blame against her.

The Irish Convention.

1917 saw a new effort to grapple with the enigma. It had been asked several times of late years, by public men of authority, "Why not encourage Irishmen to come to terms among themselves, with no British interference?" Accordingly, in May of that year, after the refusal by the Nationalists of a different exclusion proposal, an Irish Convention was formed, representative of

all classes and parties, except that Sinn Fein declined to join, and Mr. William O'Brien's small section stood aloof. The simultaneous release of the Sinn Fein prisoners excited much Unionist criticism, and, though a necessary feature in a policy of conciliation, it did nothing to win over those who benefited by it.

When, early in the following year, the Convention, of which Sir Horace Plunkett was the sympathetic and broad-minded Chairman, issued a Report which, while it indicated the hopes of the majority, made evident the existence of deep-rooted divergencies, it appeared that the policy of excluding the North-Eastern counties over a longer or shorter period did not this time commend itself to the majority. Home Rule was to be universal, but elaborate care was taken by special representation, and a multiplication of checks, to safeguard Ulster from any possible abuse of power by Dublin. But Ulster was not conciliated, and since the Government did not take any action on the Report, the Convention, in a technical sense, broke down.

But it would be unfair to regard it as having, in essence, failed. The association through many months of Irishmen of all sorts and of all views, clerics and laymen, in an atmosphere of serious discussion and earnest goodwill, in itself marked a new epoch. The establishment of mutual respect between opponents, and some better understandings, have survived the closing of the Convention, and will bear fruit in days to come. Many Home Rulers exhibited an accommodating and sympathetic temper. Some of the more moderate Unionists displayed a welcome readiness to examine fresh facts, and to modify ancient conclusions. The Report, though not strictly a majority document, showed far closer agreement than has ever existed before in Irish politics, and it is deeply to be regretted that it was not at once, while the iron was hot, welded into the shape of a Bill and rapidly forced into law. Very likely this was not easy. Whatever may be the advantages in war time of a composite Government, it is certain to flinch from bold action at home on any issue whereby party passions are stirred.

A Policy Essential.

But a policy there must be, and it cannot remain long undeclared. Marking time cannot be a permanent occupation, even when it takes the form of appointing a famous Field Marshal as Viceroy, to strike awe into Sinn Fein, accompanied by a Liberal Chief Secretary who refuses to abandon faith in Home Rule. Our rulers, therefore, must do something soon, and the obstacles will not look any the smaller by waiting and gazing at them. Inaction encourages the smaller and really dangerous element in Sinn Fein, and turns in its direction the far larger number who do not want to rebel, but who do not entertain the faintest sympathy or sentiment for England. It endangers the hope of cordial co-operation in a free but real union, the hope which has inspired many Irishmen in the war, and in which some of them have given their lives.

Lastly, with the Irish riddle still unsolved, what sort of figure shall we cut when we take our part in re-making the map of Europe? It will be idle for us to point to our admirable intentions during the last fifty years, to Church Acts and Land Purchase Acts, and to bursts of sympathetic administration. The black fact remains that Ireland is not contented, and that she has been on the edge of rebellion. It is the business of statesmen to succeed, as it is the business of Generals in the field to succeed, not to point out the difficulties

that make them fail. And in this particular business of determining for Europe the proper limits of national development and of separate or autonomous government, our representatives will go into council stamped with our national failure.

The Federal Solution.

It only remains to say a word on what is called the Federal Solution. "Home Rule all round" has attracted many political thinkers, including some unimpeachable Liberals, such as Sir Henry Campbell-Bannerman. It has been uniformly disliked by Irish Nationalists for reasons which will appear in a moment. The difficulties are familiar. It is hard to see how the English Parliament can in effect be anything but the Imperial Parliament, all the more as we now know that there is little sympathy in the Dominions with the idea of their sending elected representatives to an Assembly in London. But on one point we must be perfectly clear, and on it we must insist, namely that it is not necessary for the establishment of a Federal system that the powers and functions of the bodies representing the several members of the Federation should be identical. Ireland is a nation; so is Wales; and both are nations in exactly the same sense that Brittany or Gascony or Lombardy are nations. But their histories entirely differ, as do their present aspirations.

The Lombard longs to see his Italian brethren beyond the frontier joined with him in union; the Irishman asks for a National Parliament; the Welshman may or may not in time ask for a parliamentary Assembly, but if he does it may not be one possessing the powers rightly permitted to an Irish Parliament, from the past history and present situation of Ireland. This, of course, is why Irish Nationalists suspect the Federal solution. It may be made the excuse for blurring the identity of Ireland, under a plea of necessary uniformity, and for cutting down her fair claims to a minimum. It behoves all friends of Irish self-government to be on their guard against a manœuvre which is sure to be ingenious, and may be formidable. Deal with Ireland first, then by all means institute Home Rule all round, if the country desires it, and it is shown to be practicable. But the Irish difficulty cannot wait, and every week and month as they pass harden the temper of extremists on both sides, and discourage that body of central opinion through which alone a solution of the problem is to be found.

VIII.—CONSTITUTIONAL REFORMS.

BY THE RT. HON. HERBERT SAMUEL, M.P.

The establishment of Payment of Members and the passing of the Representation of the People Act have removed many of the political reforms for which the Liberal Party has contended from the list of proposals to its long list of achievements. But others remain. The double representation in Parliament of persons who have passed through the Universities still continues. The University seats have not only survived under the recent redistribution; they have been increased in number. Multiple voting and the ownership vote have been abolished; but dual voting remains. A person who lives in one constituency and has his business in another, has votes both for his residence and his business premises. A working-man who lives in one constituency and who works in another, is allowed only one vote. The workman is assumed to have no special interest in the place where he spends his days, or in the industry with which his life is identified, that would qualify him to share in electing a representative in Parliament; while the professional or business man, because he occupies particular office premises, is held to be entitled to a double citizenship. This is a class privilege which cannot permanently endure. But both the dual vote and the continuance of University representation were elements in the compromise arrived at in the Speaker's Conference. So also was the arbitrary age limit of thirty attached to the enfranchisement of women, in order to obviate a majority of women over men in the electorate. These were the chief items in the price paid to secure an agreed Bill. In order to obtain the enactment at once, and by general consent, of many reforms which had long been the subject of keen controversy, the price was worth the paying. In accordance with the spirit of the arrangement then agreed to, these questions cannot be re-opened now.

The Alternative Vote.

The mis-representation of constituencies in Parliament stands on a different footing. Both the Alternative Vote and Proportional Representation were excepted from the general agreement submitted by the Government to Parliament, and were left open for its decision, and both failed to secure its assent. Under our electoral law as it is now left, where more than two candidates stand in a constituency, a member who is supported by only a minority of the electorate, who may be in the highest degree distasteful to the great majority, may nevertheless be elected. He will vote in Parliament on the main questions of the day in a sense which he knows, and the constituency knows, to be contrary to the wishes of the greater number of the electors.

This form of minority rule is contrary to the first principles of democracy. It impairs the authority of the House of Commons. It stands out conspicuously as the chief blemish that still remains in the British system of Parliamentary representation. The removal of it is recognised to be one of the leading aims of the Liberal policy of constitutional reform.

In the debates on the Representation of the People Bill, almost the whole of the Liberal Party in both Houses supported the Alternative Vote as the remedy. Many advocated Proportional Representation for the larger boroughs, and the Alternative Vote elsewhere. Some would have preferred, if not at once, at least as an ultimate aim, the adoption of Proportional Representation in all the constituencies. But on these points there was no unanimity. The National Liberal Federation, at its meetings at Manchester in September, 1918, made no pronouncement on Proportional Representation. It declared unanimously in favour of the Alternative Vote.

Under that system the elector is allowed not only to vote for the candidate he wishes to see elected, but also to state on the ballot-paper whom he would prefer, as between the remaining candidates, if his own candidate is at the bottom of the poll. If there are three candidates at the election, he may write the number 1 against his first choice, and, if he wishes, if he has a preference as between the others, he may write the number 2 against his second choice. When the votes are counted, they are first divided among the three candidates, regard being had only to the "ones" marked on the papers, and no attention being paid, at that stage, to the "two's." The candidates are then arranged according to the result so ascertained; and the one who is third on the list is regarded as having been rejected by the constituency and is eliminated from the contest. The ballot-papers of his supporters are then examined, in order to ascertain what their wishes are in the event which has actually occurred, namely that their candidate has been defeated and that a choice has to be made between the other two. Some of those ballot-papers would, no doubt, indicate no second preference. A proportion of the voters, if they cannot elect their own man, would support no other. Those papers which do indicate a second preference are divided between the remaining candidates according as the number 2 is against the name of the one or the other. The totals so reached are added to the polls of those two candidates as ascertained on the first count, and the one who then secures the majority is declared elected. If there are more than three candidates, the voters may indicate by numbers more than two preferences, and there will be more than two countings of the votes. But the principle and the process are the same.

In fact, the method is much the same as that of the Second Ballot, widely adopted in European countries. Where that system is in force, and more than two candidates stand, the electors go to the poll on the first election day and vote for whichever of the several candidates they please. The votes are counted, and the two candidates who receive the highest number are put up for election on a subsequent day, usually a week later; the others are eliminated, and the second poll decides between the two. The method is open to several objections, particularly the trouble involved by two polling days. The Alternative Vote compresses the process into a single poll, and enables the elector, at one and the same time, to vote both in the First Ballot and in the Second. It is fairer also where there are four candidates or more for a single seat.

It has its defects. Ingenuity may pick holes in it. But—apart from “P.R.,” which has drawbacks of its own—it is the best method yet devised for preventing the election of the candidate least desired by the constituency, through the disunion of his opponents. Such was the conclusion reached by the Royal Commission on Electoral Systems of 1910, which consisted of men of all parties, which made a careful enquiry into the methods adopted in this and other countries, and which, unanimously, made one, and only one, definite recommendation—in favour of the adoption of the Alternative Vote. The Speaker’s Conference, by a majority, arrived at the same conclusion. The House of Commons adopted it in the Representation of the People Bill, but by the narrow margin of one vote; the matter having been made a party issue, the provision was struck out by the House of Lords; for the Commons to have insisted upon its re-insertion would have involved the loss of the Bill. The country is left in the situation, therefore, that, wherever there are more than two candidates, a Minority Member may be elected. It will be the duty of the Liberal Party, in the interest of sound democratic government, at the earliest practicable moment, to remedy this grave abuse.

Ministers and Parliament.

During the war many new methods have been adopted, hitherto unknown to the Constitution. Among them has been the appointment as Ministers, in one or two cases, of men who were not, and who did not become, members of either House of Parliament. In the exigencies of the moment this innovation was tolerated, but the nation is not likely to allow it to become a normal practice in time of peace. It had hitherto been, and should in future remain, one of the root principles of our system of self-government, that every Minister of the Crown should be personally accountable to Parliament, and should be present there to answer questions on his administration and to give such explanations as occasion may require. To that doctrine, the National Liberal Federation, at the meeting to which reference has been made, gave its unqualified assent.

It declared also that no “Treaty or vital understanding with other countries” ought to be entered into at the sole discretion of the Executive, or be operative until ratified by Parliament. This reform also the Liberal Party will, I believe, use its utmost efforts to secure.

Although they have not yet been under consideration either by Liberal members in Parliament or by Liberal organisations in the country, perhaps I may be allowed to invite attention to the unanimous recommendations of the Select Committee on National Expenditure in their Report of October, 1918, on the Procedure of the House of Commons on matters of finance. Those recommendations have as their chief purpose the strengthening of Parliamentary control over the action of the Executive. They propose the appointment of two Standing Committees on Estimates, with the addition of a third, if experience should show it to be desirable; those Committees between them would consider each year the Departmental estimates submitted to Parliament and report upon them to the House—not touching questions of policy, which are matters for the House as a whole. They propose also that any Bills involving expenditure should be accompanied by definite estimates of the amount of the liability, unless the conditions of a particular case render this impracticable, and that those estimates should

be submitted to the Committees. It is recommended that the Estimates Committees should be assisted by an Officer of the House, independent of the Government, with the title of Examiner of Estimates. And, not least important, it is urged that when proposals of the Committees for economies in expenditure come before the House for decision, they should not be treated as involving the question of confidence or no-confidence in the Government of the day, but that Members should be free to vote upon the merits of the particular issue. The present practice regards any defeat in the House of Commons of a Government proposal, large or small, important or unimportant, on an estimate, a resolution, or the clause of a Bill, as a censure on the Administration, and as involving perhaps its resignation or a dissolution of Parliament. Such a practice renders independence of action on the part of Members impossible. The smaller issue of the particular case is inevitably swamped and sunk by the larger issue of maintaining the Government. For my own part I feel convinced that until this convention—of modern growth in its present extreme form—is modified, by some definite declaration on the part both of the Government of the day and of the House, the proper authority of Parliament in its relations with the Executive cannot be effectively restored.

Devolution.*

The House of Commons before the war was notoriously over-burdened with business. Afterwards, with a great volume of reconstruction work crowding upon it, it is likely to prove a formidable obstacle to the passage of the many reforms which the nation so earnestly desires. Our Parliament has, indeed, been set a task too vast and too complex for any single legislature to perform with success.

It has to do the work of a Parliament of the Empire—to deal with foreign affairs, defence, India, the Crown Colonies and Protectorates. It has to do the work of a Parliament of the United Kingdom—to control all the matters of common interest to the United Kingdom. And it has to pass local legislation for England, for Wales, for Scotland and for Ireland.

The United States, with a population of a hundred millions, has its law-making done by one federal legislature and forty-eight State legislatures. Germany, with a population of sixty-six millions, had its law-making done by one Imperial legislature, six State legislatures and a number of lesser authorities. Canada, with a population of eight millions, has one federal and nine provincial legislatures; Australia, with a population of five millions, has one federal and six State legislatures. The United Kingdom, with a population of forty-five millions and an Empire covering a fifth of the globe, leaves a single Parliament to struggle as best it can with the streams of legislation, important and trivial, agreed or controversial, which come to it unceasingly from every point of the compass. The task is hopeless.

It is seldom realised how large a part of our legislation is of a local character. In the ten years 1901-1910—I have seen no later figures—the Parliament of the United Kingdom passed 458 public Acts. Of these no more than 252 applied to the whole of the United Kingdom. The remainder,

* These paragraphs reproduce some passages in a book by the present writer, "The War and Liberty" (Published by Hodder & Stoughton, December, 1917).

296—between a third and a half—applied either to England and Wales alone or to Scotland alone, or to Ireland alone, or to two of them.

The United Kingdom being more compact in area than the United States, or Canada, or Australia, has not, for that reason, the same need that they have for the multiplicity of Parliaments to which I have referred. But on the other hand, historical conditions have led to a greater diversity within the area of the State than exists in their case, and in that respect the need is greater. Scotland and Ireland have in fact their own Executives; their own Ministers, their own Education Departments, Local Government Boards, Boards of Agriculture. They have their own Law Officers and judiciaries. They have their own codes of land laws, liquor laws, poor laws, ecclesiastical laws. It is only the legislature which is unitary. One unhappy Parliament has to struggle, as best it can, to supervise and to keep up to date all these local systems, as well as the common concerns of the United Kingdom as a whole. In matters of land, liquor, education and Church, Wales also has problems of her own and legislation of her own. Here is one of the chief sources of our Parliamentary troubles. You cannot drive—to quote the old saying—four coaches abreast through Temple Bar. And what happened to Temple Bar, which could not take four coaches abreast? Temple Bar was pulled down. It was picturesque; it was full of historical interest; but it was incompatible with the requirements of modern traffic, and it disappeared. The obstruction to the Parliamentary traffic must go as well.

It is no longer a question of yielding, whether graciously or reluctantly, to the demands of the national sentiment of Ireland and Scotland and Wales. We have come to the pass when we must implore the Irish, the Scotch and the Welsh to be good enough to take away their local business. We can no longer cope with it. As a consequence English business must be devolved on to another assembly as well. There will be ample work for the constant attention of these local legislatures and their executives: agricultural development, land reclamation, afforestation, town planning, housing, health, education, liquor control—the list is far from exhaustive. There will remain to the ancient central Parliament questions of commerce, industry, communications, finance. There will remain to it the control of defence, international relations, Imperial issues. There will remain the management of all the mass of miscellaneous questions which cannot be devolved.

The machinery of the State is a century old. It is incapable of dealing with the needs of the time. The plant must be modernised. Only when this is done will there be a fair prospect that that part of the task of reconstruction which demands action by Parliament can be handled with the necessary expedition and care.

The Second Chamber.

It is impossible for the Liberal Party to acquiesce indefinitely in the existing situation with respect to the House of Lords. The mediæval constitution of that House is a standing contradiction to the democratic principle. Unrepresentative, unprogressive, dominated by the narrowest class interest, its influence, so far as it is exercised, is a constant drag on the healthy development of the national life. The Parliament Act, valuable as a breach

in the walls through which the forces of reform may enter, is not, and has never purported to be, a final settlement. An arrangement which allows Conservative measures to pass into law in a single session of Parliament, while Liberal measures may be exposed to all the uncertainties of political weather during three Sessions, is neither consistent with fairness in the constitution nor conducive to the smooth accomplishment of necessary change.

The House of Lords in its present form cannot survive. Its own members have been brought, however reluctantly, to recognise that. What is to replace it?

Liberal opinion, and the opinion of the Labour Party as well, inclines against one proposal, which has had its advocates from time to time—the direct election of a Senate, by the same electorate as the House of Commons, but by much larger constituencies, and, perhaps, by the method of Proportional Representation. They incline against it largely because it is believed that the labour and cost of contesting vast constituencies would give a great advantage to wealth, no matter what attempts were made by law to limit expenses; that, in consequence, such a Senate would always be Conservative in tendency, while the method of its election would lead it to claim an authority equal to, or even greater than, that of the House of Commons.

There are two alternatives which are more calculated to command support. If the constitution of the United Kingdom is re-modelled on a federal basis, the precedent of other federations may perhaps be followed, and the Second Chamber of the Central Parliament be made to represent, in such proportions as may be decided, the several national units. Our Senate, on this plan, would consist of representatives of England, Scotland, Ireland and Wales, chosen perhaps by their Parliaments, and cementing, by their union in one body, the cohesion of the whole. To this, however, the objection would be raised by some that the local Assemblies would themselves be elected to deal with the local questions entrusted to them; that their representatives would be inspired by that spirit; and that a strong and large-minded Second Chamber would not be likely to be the outcome.

The other proposal is indirect election through the House of Commons. After each general election the new House, divided perhaps into large geographical groups for the purpose, would elect the whole of the Second Chamber, or, it may be, a half of it, the other half being chosen by the next House of Commons. This principle was the foundation of the scheme proposed by the recent Conference on the Reform of the Second Chamber presided over by Lord Bryce. Their recommendations provided that about three-fourths of a reformed Chamber should consist of persons elected by panels of Members of the House of Commons, organised on a geographical basis. It is of interest to recall, also, that even the House of Lords Reconstitution Bill, introduced in 1911 by Lord Lansdowne and his political friends, provided that one-third of the new mixed body which it contemplated should be selected by electoral colleges consisting of Members of the House of Commons.

The leaders and the organisations of the Liberal Party have not yet formulated a definite plan for the constitution of a new Second Chamber. But they will be agreed, I think, on this—that whatever its composition, its powers should not include an absolute veto upon legislative proposals. Whether by provisions on the general lines of the Parliament Act, or by the method of joint sittings of both Houses which has been adopted in recent Dominion constitutions, or by the more elaborate devices suggested by the

Bryce Conference, a method must be devised for resolving deadlocks. The democratic forces in this country will never risk the renewal of the delays, the friction, the bitter conflicts, which were the consequence of the right of final veto that belonged to the old House of Lords. To require a general election, or a referendum—and a referendum would involve all the labour and expense of a general election—in order to decide each case of disagreement, would be in appearance, indeed, a recognition of the sovereignty of the people. In practice it would weary the electorate with too constant controversy, would remit to them questions of comparative detail more proper for the legislature to decide, and would result, in the long run, in the Second Chamber establishing an excessive control over the actions of the First.

These are the chief problems which await the hand of Liberalism in the sphere of constitutional reform. They are of great importance; but their solution is important not as an end in itself, but as a means to an end. These are questions of political machinery, and machinery does not exist for its own sake, but for the sake of its products. The long process of democratic reform has, indeed, its own direct value. It enables the citizen to feel in its fulness the pride of liberty. He is a free man; that is his status; he shares equally with the rest in the government of his country; and the very fact adds a dignity to his life. But beyond this, the franchise, a democratic Parliament, are tools placed in his hand. With them he can shape legislation and administration; he can employ the vast powers of Law to improve his environment, to enlarge his opportunities, to protect himself from the crushing pressure of an economic system that overwhelms him. Political reform is the means, but social reform is the end. The ultimate purpose of modern Liberalism is there.

IX.—WOMEN'S QUESTIONS.

BY MRS. RUNCIMAN.

The granting of the Parliamentary suffrage to women has altered the aspect of their political activities. The great women's question has been answered, the outstanding grievance has been removed, and Liberal women (except those who come under the age limit, a restriction which can only be temporary) are now able to join as full citizens in the responsibilities and opportunities of active work for the administrative and legislative reforms which it is the special object of the Liberal Party to secure. Women need no longer regard themselves as outside of the nation's political life ; they are part of it in a new sense.

Liberalism's Appeal to Women.

It always was the claim of the political woman suffragist that she desired the vote for no selfish end, but in order that women might contribute their own special knowledge and experience to the common stock, and supply the necessary complement to a true democratic government. As long as she was a political outcast, she was forced into the position of special advocate for her own causes, until her essential right was granted. Now all this has changed, and the time has gone by when there is any necessity to label any set of problems as women's questions. It is true that there are still some inequalities as between men and women, and some grievances which women will wish to have removed ; but all big questions are national, and even small questions must only be approached and considered from the national point of view. It is also true that some measures may appear of more importance to most women than they do to most men ; women may be influenced by some arguments which would not appeal equally to the majority of men ; legislation may actually affect them in different ways, and in limited sections of the community there may be conflict of interests. But all this does not alter the broad fact that men's questions are women's questions, and women's men's, and that if their interests are not always identical, they are, at any rate, inextricably bound up together, and the only way to find solutions for the problems with which we are faced is by the closest mutual co-operation and understanding between the sexes.

There are many women who as individuals or in organisations have definitely associated themselves with one or other of the three great parties, and whose minds on main political questions are definitely made up ; but many of these are young women and outside of the present restricted franchise. There are others, especially those whose political interest has been first awakened during the war, who rather cling to the idea of a government of super-men, and are unwilling to attach themselves to any particular party, though an election will make them realise that some choice is almost inevitable. There are also many women who have never taken any particular interest in politics at all.

There is no reason why Liberalism should not be able to make an appeal to women of all kinds. The principle of liberty of the individual, which has always been one of its outstanding characteristics, makes a great attraction for women who have found their aspirations checked by artificial sex restrictions, and its social programme opens a wide field of subjects in which women are deeply concerned.

Social Programme.

But if support is to be got from women for the various internal reforms outlined in this book, it is quite clear that they should be explained and advocated on grounds that come within the actual experience of an ordinary woman, and we must be ready to present the case from a domestic standpoint, and draw illustrations from ordinary home life rather than from the statistics which appeal to the more experienced politician. There is no difficulty about this, for many of the items on our social programme affect intimately the lives of simple people who may know little that goes on outside of their own homes or their own street or village.

Free Trade.

The essence of the argument for Free Trade can find complete illustration within the four walls of the humblest cottage. Every householder can understand the difference between plenty and scarcity, and her recent experience will not make her unwilling to turn a very sympathetic mind to the policy of abundance which is the fundamental basis of the Free Trade argument. She may not want to try and understand the intricacies of foreign exchanges, but she has learned the effect of cutting off supplies from abroad, and now realises, as probably never before, how much she depends upon the resources of other countries for food and other goods essential to the feeding of her family and the comfort of her home. Rising prices have of late been the main anxiety for thousands of women, who know now that even a government with authority to fix prices cannot completely overcome the inevitable fact that a policy which results in scarcity must also result in high prices.

Women, both in town and country alike have suffered enough from the hands of the Controllers to be ready with at any rate an open mind to weigh the arguments in favour of freedom of trade within as well as without.

Temperance Reform.

The restrictions of the Liquor Trade during the war make much more difference to the dwellers in crowded streets of small houses, where the ill-behaviour of a neighbour may affect the peace and quiet of the whole street, than to those who live in the spacious quarters of the well-to-do. Many women can testify to the difference made in the mere comfort of their home-life by the earlier closing of public-houses and the diminution of street disturbances and uproar. The greater earnings of girls, and the greater freedom of their lives produced by war conditions, have given to many women increased anxiety for legislation which will at any rate diminish for their daughters as well as for their sons the temptation of the public-house and the social dangers which are associated with it. Liberal women can be relied upon to give substantial support to a strong measure of Temperance reform.

Housing Reform.

Housing reform obviously is of special interest to women, the great majority of whom spend the greater part of their working hours as well as their leisure within their own doors, and there is every prospect that once women realise that they have an opportunity of translating their political power into terms of healthy, comfortable homes, we shall see a great impetus given to the demand for a much higher level of administration with regard to slum areas, insanitary dwellings and overcrowding due to insufficiency of houses. We shall also feel more confidence that the cottages of future State schemes will be constructed on practical and sensible lines.

Health and Hygiene.

All women, even the most unpolitically minded, have opinions on matters of health and hygiene. No one suffers more than they do from inadequate or foolish State control in these matters. If any woman has been so fortunate as to secure in her home the attentions of every type of sanitary inspector and health visitor, insurance inspector, school nurse, etc., who with uncoordinated zeal may now knock at her door, she will assuredly support any sound scheme which will curb these distracting activities into one well-organised system of Health Administration.

Women undoubtedly could play a much more important part than they have done in local health affairs, and there is no doubt that the granting of the Parliamentary vote will tend to quicken their interest and increase their sense of responsibility in the administration of the laws which they will now feel that they have had a direct share in carrying through.

Equality of Opportunity.

Liberal women will look with confidence to the Liberal Party to secure the removal of the sex disabilities and disqualifications under which they are still placed. Liberalism has always stood pre-eminently for the liberty of the individual, and as individuals women ask that no artificial barriers should shut them out from any profession or industry, or from any of the functions and duties of citizens in which they may desire to take part. There are, of course, natural restrictions which everyone recognises. Women do not suggest that they should be included in the combatant ranks of army and navy, though there may be no good reason for excluding them from other ranks. The experience of the war has shown how large a number of army services can properly be allocated to women.

What women ask is that no profession should be closed against them merely on the ground of sex. All they want is a right of entry. They will be prepared to face the normal competition on equal terms, and whether or not they will be competent to secure a permanent footing must be left to them. The war has made this both easier and more urgent. On the one hand, it has shown how much more varied women's contribution to industry can be than was ever supposed, and on the other hand it has forced us to recognise how many more women now must depend on their own exertions for a living, and how essential it is in the national interest that everyone, in every class, men and women alike, should make some contribution to the national output. Business men must no longer regard it as a slight on their financial credit, or on their social standing, that their daughters should take up a profession and refuse to live in idleness.

Now that women have been recognised not only as fit to be electors, but also as fit to sit as representatives in Parliament, they will expect that their educational needs will receive as much consideration as those of men; that equality of educational opportunity as between boys and girls should be carried through our whole educational system, from our elementary schools to the sphere of higher education, not excluding the most ancient universities.

Equal Moral Standard.

Women also claim that divorce laws should be altered, so that men and women should be placed on an equal footing as regards grounds for divorce. This is not only important in itself, but as an illustration of the fundamental principle which women insist must be recognised as the basis of all legislation and administrative action in connection with moral and social problems, and that principle is that the same moral standard must be applied to men as to women. Until the State is prepared to accept this standard, it cannot succeed in grappling successfully with those moral questions, for the full co-operation of women cannot be secured on any other terms. Women cannot acquiesce in laws which they feel are drawn up and administered on a morally unsound basis. They feel that real moral progress, which is the only sure cure for social ills, cannot be attained by any legal system, however well devised, which does not aim at the highest moral standard for men as well as for women.

Rights of Mothers and Children.

A plea is often made by women for the alteration in the law which gives the father sole custody of the child, by granting to the mother a joint right of custody. It certainly seems reasonable that both parents should have the rights as well as the responsibilities of parenthood. If the father in most cases provides the means for the nurture of the child, it is usually the mother's duty to devote herself to its actual care, and to administer the money provided; and it seems only just that she should have an equal right to decide how her child should be brought up.

It is also claimed that a similar right should be given to the mother as the father now enjoys of appointing a guardian for the child after his death, to act with the mother. Why should not the mother be equally entitled to choose a guardian for her child to act with the father after her death? It seems difficult to devise terms under which all duties and responsibility can be equally enjoyed by parents who may disagree, for instance in such a matter as the choice of the religion in which the child is to be educated, which now belongs to the father. But it is not unreasonable to urge that where disputes arise, the courts where they are settled shall be constituted in such a way that the mother can feel satisfied that her point of view is equally represented with the father's. Women will certainly urge that they should be eligible as magistrates, and take their share in all the machinery of courts and police which have to deal with so many of the most difficult questions affecting both sexes of all ages.

It is also urged that amendments are needed to the laws relating to illegitimate children and affiliation orders. It is suggested that the duty of recovering payments under the order should be thrown on the collecting officer, and that no maximum should be fixed, but that the Courts should have power to vary the amount according to the father's financial position.

Equal Pay for Equal Work.

This demand for equality of pay as between men and women doing equal work has a ring of justice about it, and is apparently accepted by many Liberals as a natural consequence of the recognition of the general principle of the equality of the sexes. Like most popular cries, it requires definition. Equal hours of work do not necessarily mean equal work, and even apparent equality of output is not always an actual equality, because evidence goes to show that women, at any rate in some forms of work, are more liable to absence through sickness. It is also often urged that women's work in general is of less value to employers because large numbers of women workers give up their employment on marriage, and may cease to work at the very time when they are becoming experienced and skilful.

It is true that allowing for the fact that women's output is less, her relative wage in many cases is far lower than can be justified by the difference in her work, and her inequality of pay is out of all proportion to her inequality of output, where such exists. On the other hand it is difficult to estimate in money value the inconvenience to the employer occasioned by the mere fact of her unreliability of attendance. Especially since the war great force has been given to the argument that unless women and men are paid equally, a woman, taking a man's place, may undercut him and eventually lose him his job, when the man comes back to take up civil employment. It is certainly not in the national interest that men should go idle in order that women may be employed. But on the whole, if men and women are to be paid alike, women must realise that the general tendency will be for the employer to prefer to employ men.

The war conditions of women's work have been so abnormal, that we cannot judge of future conditions by present experience. It is sometimes forgotten that output is not the only criterion of value, and that rates of pay cannot avoid being influenced to some extent by the laws of supply and demand. There may be professions where both men and women are required which are not equally popular with both sexes. It may, for instance, be necessary to offer a special inducement of extra pay to attract a sufficient number of men to the teaching profession, and even to increase the existing inequality of pay in order to secure a sufficient supply. Political interest in the matter centres round the action of the State with regard to its employees. In so far as the pay of individual State servants is concerned, of men and women who are selected for special posts owing to their personal qualifications, there does not seem to be any reason why there should be a differentiation between the sexes, any more than there is in the open competition between men and women in professions outside Government service. And where only a woman can provide the particular qualification of sex which is required for the particular post, she should not be penalised in consequence. But when it is a question of the payment of classes of workers, there can be no doubt that as long as the great majority of men have to support a wife and family, and the great majority of women do not, there must always be a tendency for men to require and exact, as far as they can, a higher rate of pay than women. For the State to ignore this would be unsocial. It is not in the national interest that men should earn no more money for the maintenance of a home than women can earn to spend on themselves.

But whatever arguments may be urged for the need of giving a family wage to family bread-winners, women are not convinced of the necessity

of giving unmarried women lower rates of pay, as compared with unmarried men, than are justified by their relative economic disability. Whether or not it is possible that in the future the "family supporting" wage can be recognised by some system of special subvention, it is certainly on these lines, rather than on the lines of purely sex distinction, that women would be found willing to acquiesce in a permanent system of inequality of pay.

What Liberalism must aim at securing is that every worker, male or female, should be secured a definite minimum wage for a full day's work, and we must make every effort to secure by extension of Wages Boards, or any other means, that there shall be no return to the old conditions of sweated labour under which numberless women suffered so grievously in the past.

League of Nations.

It is often suggested that women are never interested in foreign affairs, and that they cannot be moved by questions of foreign policy. But the war has enlarged the boundaries of nearly all our homes. Even remote villages have been brought into close and intimate contact with far-off countries and strange climates and peoples, and the letters and tales of soldiers have stirred the imagination of many people who have rarely moved more than a few miles from home. Foreign countries can never again be mere names to mothers who are trying with imaginative sympathy to picture the lives of their sons fighting in distant and historic fields. And though the popular conception of Kaiserdom and of the constitutional reforms necessary in Germany before she can be recognised as a civilised nation may be crude and superficial, there is at any rate a genuine and widespread interest, in which women undoubtedly share, in the affairs of other nations unknown before the war, which will permanently affect British policy in foreign affairs in the future.

Ordinary women are no more capable than are ordinary men of solving the complicated international problems of the construction of a League of Nations, and the term may not bring any very definite picture to their minds; but there are few wives and mothers so untouched by the sorrows of the war that they will not lend an eager mind to any proposals that will promise them and their children and grandchildren, the chance of freedom from this horror for the years to come. They will certainly contribute a large share of the enthusiastic determination to find some other means of settling international disputes, which alone can provide the force of opinion necessary to press on a solution of the difficulties of the problem.

Women and True Social Progress.

It can be no disadvantage that social reformers, in advocating their programmes of reform, must now make their appeal to, and win support from, women who in the great majority of cases have a very special knowledge of the ills which it is hoped to remove, and can contribute very practical criticism to the plans suggested, and in their love of humanity, their eagerness to do what they can to alleviate the sorrows of the world, and their intense concern for the welfare of children, and for all that makes for the happiness and security of home life—women may well claim that they can supply no small part of the moral force and idealism, without which no true social progress can be attained.

X.—CONDITIONS OF INDUSTRY.

BY B. SEEBOHM ROWNTREE.

The following resolution on the policy of the Liberal Party after the War was adopted by the General Committee of the National Liberal Federation at Manchester, September 27th, 1918 :—

“ This Committee declares that the time has come when there should be a fundamental change in the relations between employers and employed ; that the workers must be given a full share in determining the conditions that affect their own lives ; and that Industrial Councils, to secure the self-government of the trades, should be established in accordance with the proposals in the Whitley Reports.

“ That under the auspices of these Industrial Councils, supplemented where necessary by Statutory Trade Boards, there should be established, both for men and women, in every branch of employment, a Minimum Wage which shall afford a proper standard of comfort, and be a first charge on every branch of trade and industry. That such hours of work should be established as will provide reasonable leisure and opportunity for self-culture, and that the prevention of unemployment and the provision of adequate insurance against it should be regarded as a first aim both of the Industrial Councils and of the State.

“ And that, apart from such changes as may be made by general consent, the pledges to restore the Trade Union Regulations, suspended during the War on grounds of patriotism, should be completely fulfilled. That steps should be taken by the State to prevent exploitation of the public by trusts. That National control of monopolies such as railways, canals, and coal mines, should be maintained and extended with a view to ultimate national ownership if further experience proves it to be desirable.”

This resolution contains seven clauses, which I propose to consider separately.

CLAUSE 1.

“ This Committee declares that the time has come when there should be a fundamental change in the relations between employers and employed ; that the workers must be given a full share in determining the conditions that affect their own lives ; and that Industrial Councils to secure the self-government of the trades, should be established in accordance with the proposals in the Whitley Reports.”

Workers and the Control of Industry.

There has for many years been a steadily growing demand on the part of the workers for a larger share in the control of industry. They have been

gaining ground in different fields of activity; each broadening of the franchise has increased their political power, and better education has enabled them to take advantage of the opportunities thus afforded them. Consequently, the influence of Labour on both national and local politics is constantly growing stronger. But although the chosen representatives of the workers more and more frequently sit in the council chambers both of the State and of cities, and there discuss subjects of public import with other elected representatives on terms of perfect equality, the control of industry has up to the present been very largely regarded by the capitalist as his own prerogative. Even the right of the workers to be represented by their Trade Union officials in the discussion of any important matter with the management is not universally recognised, though any employer who ignores it is generally considered old-fashioned and unreasonable. But, as a rule, a Trade Union only approaches the employer when some dispute has arisen, or when a demand is put forward by the workers for the remedy of some grievance.

The present position may, therefore, be briefly summed up as follows :— Employers fix the wages, the working hours, and the general conditions of work ; they make all the shop rules, and engage and dismiss workers at their pleasure. If their action is objected to by the workers, the latter state their views through their Trade Union representative, and the result is largely a matter of the relative fighting strength of the two parties. The employer still tends, very frequently, to assume the rôle of an autocrat, and to resent any effort to limit his power on the part of the workers. The efficiency of a Trade Union Secretary, on the other hand, is largely measured among the workers by his success in scoring points for them against the employer. He is attacking a citadel from outside. It is obvious that such a relationship must lead to considerable friction, and, often after bitter strife, decisions are arrived at which do not rest upon the intrinsic justice of the case, but on the respective strength of workers and employers.

The resolution declares that this condition of things should cease, and that in future industry should be frankly recognised as the joint enterprise of capitalists and workers, who must mutually determine the conditions under which it is conducted. This means, in effect, that the worker will no longer be a servant, who, in return for a given wage, is expected to obey any instructions, and work under any conditions which his master may impose, but a co-operator.

The System of Councils.

Broadly speaking, under the proposals made in the Whitley Report, the representatives of capital retain control over the financial side of industry ; they buy the raw material, and sell the finished product at their sole discretion. But all working conditions are to be controlled by councils on which representatives of capital and representatives of the workers sit as equals. There will be a central council for each industry, to decide on the working conditions of that industry as a whole ; there will be district councils, to consider more detailed questions affecting a district, and there will be works councils, dealing with matters relevant to a particular factory or other unit of industrial activity.*

*For fuller information see Industrial Report No. 1, "Industrial Councils," and Industrial Report No. 2, "Works Committee," published by the Ministry of Labour, 1d. and 6d. respectively.

The demand of the workers in this connection was ably summarised by Mr. H. Gosling, in his presidential address to the Trade Union Congress in Birmingham in 1916, in the following words:—

“ We workmen do not ask that we should be admitted to any share in what is essentially the employer's own business—that is, in those matters which do not concern us directly in the industry or employment in which we may be engaged. We do not seek to sit on the Board of Directors, or to interfere with the buying of materials, or with the selling of the product. But in the daily management of the employment in which we spend our working lives, in the atmosphere and under the conditions in which we have to work, in the conditions of remuneration, and even in the manners and practices of the foremen with whom we have to be in contact, in all these matters we feel that we, as workmen, have a right to a voice—even to an equal voice—with the management itself. Believe me, we shall never get any lasting industrial peace except on the lines of industrial democracy.”

Only experience can show the extent to which in the future this joint control by capital and labour can be advantageously exercised. The administration of an industrial organisation is far from easy, and certain fundamental conditions must always be observed if it is to be successfully accomplished. It must never be forgotten that if high wages are to be paid they must be earned. There is no wages fund into which the workers may dip other than that which is created day by day through the wisely co-ordinated activities of capital and labour; and any tendency towards industrial anarchy could only lead to disaster. Thus, workers should realise from the outset that the tests of joint control are efficient administration and economical production. Common-sense, goodwill, and patience will be required both on the part of labour and on the part of capital. If Whitley Councils, whether works councils, or district or national councils, are to develop successfully. Employers must be willing to acknowledge the just claims of the workers, while the workers must recognise the necessity of maintaining adequate discipline and giving a fair day's work for a fair day's pay. We cannot expect, in a few months, to transform the conditions of industry. Workers and employers must accustom themselves to the new relationships which the Whitley Councils will involve, and advance cautiously, yet steadfastly, without suspicion of bad faith on either side. If they do this, a spirit of co-operation may develop which, so far from lessening efficiency, will increase it. The establishment of Whitley Councils marks an epoch in industry. It is the full official recognition of the right of the workers to take their share in framing the conditions under which they work, instead of merely trying, by means of external pressure, to alter conditions already established.

CLAUSE 2.

“ That under the auspices of these Industrial Councils, supplemented where necessary by Statutory Trade Boards, there should be established both for men and women, in every branch of employment, a Minimum Wage, which shall afford a proper standard of comfort, and be a first charge on every branch of trade and industry.”

The principle involved in the above clause of the resolution is very far-reaching, and the case for adopting it merits the most careful enquiry.

In what follows we should seek to answer four questions :—

- (1) Is the establishment of a minimum wage in every industry necessary ?
- (2) What should the minimum wage be, for men and women respectively ?
- (3) How shall it be secured ?
- (4) Can industry pay it ?

(1) Is a Minimum Wage necessary ?

We must base our answer to this question on pre-war statistics, for industrial conditions during the war have been entirely abnormal, and when it ends, there must necessarily be great changes both in the money wages earned and in their purchasing power. The most reliable statistics regarding pre-war wages are those published by Professor Rowley in 1911, which are principally based on the Census of Production made in 1907. Professor Rowley estimated that there were 8,000,000 adult men in regular occupations in the United Kingdom, and that their weekly money wages in ordinary full work, including valuation for payment in kind, were as follows :—

Wage.	Number of Men.	Percentage of Total.
Under 15s.	320,000	4
15s. to 20s.	640,000	8
20s. to 25s.	1,600,000	20
25s. to 30s.	1,680,000	21
30s. to 35s.	1,680,000	21
35s. to 40s.	1,040,000	13
40s. to 45s.	560,000	7
Over 45s.	480,000	6
	8,000,000	

These figures take no account of casual workers, many of whom were earning exceedingly low wages, and whose total number may be estimated at about 500,000. Thus we see that in 1911, two-and-a-half million adult men, or one-third of the whole, worked for 25s. or less a week, and six million, or three-quarters of the whole, earned 35s. or less.

No similar figures have been prepared for women, but a perusal of the Board of Trade Report on an enquiry undertaken in 1906-7 shows that out of the four million women wage-earners, about nine-tenths earned less than a pound a week. There was a slight improvement in wages between 1911 and 1914, but it was not very marked. During the war a great number of men and women, and even boys and girls, have been earning very high wages ; but it must not be imagined for a moment that all the workers receive higher real wages than they previously did. The cost of living, taking the expenditure under all heads into account, is now from 80 per cent. to 100 per cent. higher than before the war, and it is certain that a very considerable proportion of workers are decidedly worse off than they were, notwithstanding the great rise in money wages. Moreover, the abnormally high wages which obtain in some munition works will cease when the war is over. We see, therefore, that there is a very good *prima facie* case for establishing a minimum, and we must next ask :

(2) What should the Minimum Wage be?

It is necessary to answer this question in some detail; for otherwise we do not realise to what the resolution commits us. We may accept it in the vague sense in which such doctrines as "equality of opportunity for all," or "the brotherhood of man" are often accepted, without any practical attempt to realise their implications. I propose, therefore, to indicate in some detail what is involved in providing a "proper standard of comfort." The standard I define is a minimum standard, *i.e.*, one below which no class or grade of workers should be compelled to live. In discussing the principles on which minimum wages should be fixed, it is important to differentiate between *minimum* wages and those above the minimum. Minimum wages should be determined primarily by human needs; wages above the minimum may be left to the bargaining of the market. In considering human needs, we must distinguish between the needs of men and women, and in what follows I want to make it clear that I am not discussing the question of equal pay for equal work, but simply asking what wages will enable men and women respectively to live in accordance with a proper standard of comfort.

MEN.

In considering what the minimum wage should be for men, it must be borne in mind that 90 per cent. of men marry, and consequently their minimum wages must be sufficient to maintain a man and his wife and dependent children. Space forbids me from discussing at length the question of the number of dependent children for whom allowance must be made. But from detailed investigations which I have recently made, *I am certain that it would be impossible to defend any wage which did not cover the requirements of a normal family, consisting of man, wife and three dependent children; and the estimates here given are based on this number.†

In defining rather more accurately what we mean by the proper standard of comfort, I suggest that we may adopt the following principle. The minimum wage should enable a man to marry, to live in a decent house, and bring up a family of normal size in a state of physical efficiency, while allowing a reasonable margin for contingencies and recreation. What will this cost? For the moment we will base our calculations on pre-war prices.

Expenditure for food.

The amount of food which must be provided varies with the severity of the work. Assuming that the work is of "moderate" severity, and that the dietary is selected with very great economy, the necessary nutriment could be obtained for 15s. 1d. a week at 1914 prices. We must, however, bear in mind that in adopting this figure we are assuming a knowledge of the nutritive value of different food-stuffs and a skill in their selection which are seldom possessed by the working classes. The dietary selected is, in fact, economical to the point of improbability! It is more economical, having regard to its nutritive value, than that provided in prisons or work-houses, and much more economical than the dietary of soldiers in barracks. The most legitimate criticism of the figure would be that, far from over-estimating, it tended to under-estimate the sum required to provide adequate nutriment for a family of five.

* "The Human Needs of Labour," B. Seebohm Rowntree. (Nelson & Sons, 2s. 6d.)

† I shall show later that even if we allow for three dependent children we do not really grapple with the whole situation, and I make proposals in this connection.

Rent.

A healthy and suitable house for a family of five should be dry, well-drained, capable of being properly heated, and so constructed that it may receive an adequate supply of fresh air and sunlight. There should be three bedrooms, partly to avoid overcrowding, and partly to allow for proper separation of the sexes. It is impossible to give any flat rate which all tenants would pay for such a house, as rents vary so greatly from district to district; and in fixing minimum wages, the level of local rents would have to be considered. But, leaving extremes out of account, it may be said that the rent would be somewhere about 6s. a week, including rates, in towns, and perhaps 2s. 6d. in the country.*

Clothing.

Careful enquiries with regard to the lowest sum on which a family of five can be warmly and respectably clothed show that the following allowances must be made:—Men 1s. 9d. per week, women 1s. per week, and children 9d. per week, making a total of 5s. a week for a family of five, at 1914 prices.

Fuel.

Enquiry from a great number of families shows that the average weekly consumption of coal is $1\frac{1}{2}$ cwt., costing about 2s. 6d. at pre-war prices.

Household and Personal Sundries.

Household sundries, which include such items as lighting, cleaning materials, repairs, renewals of crockery, etc., cannot be put at less than 4d. per head per week, or 1s. 8d. for a family of five. Personal sundries include Trade Union subscriptions, travelling to and from work, newspapers, National Health Insurance, additional subscriptions to sick clubs, recreation, beer, and tobacco. The minimum sum for these may be put at 5s., making 6s. 8d. for household and personal sundries for a family of five.

Adding up all the above items, we arrive at 35s. 3d. as the minimum sum upon which a man who exercises all reasonable economy could provide for a family of five at 1914 prices, viz.:—Food, 15s. 1d.; rent, 6s.; clothing, 5s.; fuel, 2s. 8d.; sundries, 6s. 8d.; total, 35s. 3d.

WOMEN.

Before endeavouring to fix the minimum wage for women, we must ask whether it should include any provision for the maintenance of dependants. There is very little statistical information regarding the extent to which women engaged in industry support others besides themselves. The Fabian Women's Group † made an investigation into this subject in 1915, but they dealt mainly with professional women, whose conditions in regard to dependants are somewhat different from those obtaining amongst industrial workers. I have recently made a detailed though limited enquiry which covered 516 working women taken at random in York, and ascertained that only one in six of them was responsible for the maintenance of any other person. In every case that responsibility had arisen through some accidental cause, such as the death, or illness, or unemployment, or inadequate wage of the

The question of rents of houses is dealt with in the report of the Land Enquiry Committee, Vol. II, (Urban) Hodder & Stoughton, 1s., and also in the Report of an Enquiry into Rents made by the Board of Trade. Cd. 6955, 1913.

† "Wage-Earning Women and their Dependants," Fabian Society, 1s.

male wage-earner, or the claims of a parent who had been unable to make adequate provision for old age. The human needs arising out of such misfortunes should most certainly be met, not, however, by raising the minimum wages of women generally, but by other forms of social legislation, which would probably include pensions for widows, the making of insurance against unemployment universal and compulsory, and greatly increasing the unemployment benefit, and the payment of minimum wages to men which will enable them not only to provide adequately for the immediate needs of their household, but for sickness and old age. In estimating the minimum wages for women, therefore, no allowance is here made for dependants. This is not to deal with women less generously than with men. The minimum wage for a man takes no account of any accidents or misfortunes which may render his normal wage inadequate to meet exceptional needs, although it rests upon the fact that he is normally responsible for the maintenance of the family. I submit, therefore, that the principle on which the wage should be determined should be that for a woman worker it should be sufficient to enable her to live in a decent dwelling, and to support herself in a state of full physical efficiency, with a reasonable margin for recreation and contingencies.

It is usual for working women either to live at home, or with another family. Before the war, suitable board and lodging, including laundry, could be obtained in most towns at a cost of about 12s. weekly, and I adopt this figure in my estimate. I add 4s. for clothing, which is a higher figure than allowed for the wife of a worker, because a girl going out to work every day wears out more clothes than a married woman, and, quite apart from any question of vanity, it will be recognised that a girl's chance of making a suitable match depends largely upon her ability to dress attractively. As for sundries, after very careful enquiry, I put them down at 4s. a week, which covers Trade Union subscription, National Health Insurance, and subscription to a second sick club, travelling to and from work, etc. The above items total up to a sum of £1 a week as the minimum wage which should be paid to women at 1914 prices.

Although it has been necessary to base our estimates on pre-war prices, it is probable that we shall never pay these prices again, and minimum wages in future must be on a higher scale. How much higher it is impossible to say. We do not know what the post-war normal level of prices will be, but it would be optimistic to assume that they are likely to be less than 25 per cent. above 1914 figures. If they drop to this level, the minimum wages necessary to secure the standard of comfort above defined would be 44s. for men and 25s. for women.

(3) How to Secure these Wages.

I showed at the outset that in 1914, the weekly earnings of 75 per cent. of the male industrial workers were less than 35s., while nine-tenths of the women were earning less than £1 a week. It is clear, therefore, that drastic measures will be necessary before we can secure at least the minimum wages indicated above. In considering these measures we must bear in mind that the fund out of which wages are paid is created day by day in the processes of industry. The experience of the Trade Boards has shown that wages can be safely and substantially increased if it is done by reasonable stages, so that the industry can adapt itself to the altered conditions which the payment of higher wages necessitates. It would be very unwise to pass a law demanding

the immediate payment by all industries of such minimum wages as are here proposed. The right course is that suggested in the resolution, viz. :— that the securing of the minimum wage should be left to Industrial Councils supplemented where necessary by Statutory Trade Boards. Parliament might, however, suitably enact that *within a prescribed period* every adult man should receive a wage which would enable him to marry, to live in a decent house, and bring up a family of normal size in a state of physical efficiency, while allowing a moderate margin for contingencies and recreation. Every adult woman should receive a wage which would enable her to live in a decent dwelling, and to maintain herself in a state of full physical efficiency, with a moderate margin for recreation and contingencies.

It would then be left to the Industrial Councils or Trade Boards to secure these minimum wages at the earliest possible date, although this date might vary with the ability of the industry concerned to pay higher wages without such serious dislocation as would lead to widespread unemployment. Some industries could pay the minimum wage very much sooner than others ; but it is essential that a period (say, five or seven years) should be fixed within which all wages must be brought up to the minimum.

(4) Can Industry Pay such Minimum Wages ?

I cannot here discuss at any length the methods which those responsible for the conduct of industry must employ when industry is restored to a normal state, in order to pay wages on a scale much higher than prevailed before the war. But it may be stated briefly that there are only three possible sources of an increase in wage. These are, increased prices, reduced profits, and greater industrial efficiency.

(1) *Increase of Prices.*

In this connection, it is essential to remember that the estimate of 44s. minimum wage for men and 25s. for women is made on the assumption that prices drop to 25 per cent. above the pre-war level. If they do not, a higher minimum wage will be necessary ; and, therefore, although there may be some adjustment between prices in one industry and another, we cannot look to increased prices to solve our difficulty. This fact should be borne in mind in connection with the argument that we can secure high wages by protective tariffs.

(2) *Reduction in Profits.*

There are, doubtless, some industries which could with perfect safety reduce their profits in order to pay higher wages. But the idea, prevalent among some workers, that there is an almost fathomless fund of profits, out of which wages may be indefinitely increased without any alteration in the organisation of industry, is essentially false. Taking industry as a whole, the reduction of profits, however desirable in some cases, will not go far towards meeting the needs of the situation.

(3) *Greater Industrial Efficiency.*

Speaking generally, higher wages must be the outcome of greater industrial efficiency. This can be secured by the wider application of science to industry, the introduction of costing systems everywhere, a better relationship between employers and employed, so that valuable energy may not be wasted on hostilities and greater security against unemployment, so that no man need fear to do his best, lest he or his mate should be thrown out of

work. Moreover, it is safe to prophesy that the efficiency of the workers will increase as a direct result of higher wages. Many employers are already convinced that low wages do not pay. Underfed men and women can never do their best; and a worker who is chronically dissatisfied because his wage is low does not care to do his best.

One more point must be considered before we pass to other questions. Hitherto we have assumed that a man's wage should be adequate to provide for three dependent children, but enquiries which I have recently made show clearly that if we only fix the minimum wage on such a basis, a very large proportion of the children of men receiving it will for a number of years be inadequately provided for. My investigation shows that 54 per cent. of these children belong to families where for five years or more there are four or more children dependent on the earnings of the father, and 38 per cent. to families where for five years or more there are five or more children dependent on the earnings of the father.

These facts speak for themselves, and it is most imperative to provide some means of safeguarding the larger families. In so far as the problem can eventually be met by raising the minimum wage, well and good. This, no doubt, is the ideal at which wage boards should aim. But even to fix the minimum generally at a level which will provide for a family with three dependent children means a heavy demand on the resources of industry; and at present there is little prospect of establishing a minimum sufficient for larger families. Unless, therefore, we are to continue to allow a large proportion of the nation's children to pass through many critical years ill-housed, ill-clad, and underfed, we must seek some other solution of the problem which confronts us. The only possible alternative—and I admit it is fraught with many difficulties—is to fix minimum wages sufficient to secure physical efficiency for, say, three dependent children, and for the State to make a grant to the mother in such cases, and for such a time as there are more than three dependent children. This suggestion may appear revolutionary, but it is nothing new. Such a principle is already admitted in the case of the Income-tax, where a substantial abatement is made for every child. If Parliament has recognised the need for such a State grant to families with an income of not less than £130 a year, surely a much stronger case can be made out for a similar grant where the income is much smaller. Again, the State graduates its separation allowance for soldiers' wives according to the number of dependent children.

I estimate that the cost of providing 3s. a week for all dependent children in excess of three per family, would amount to a little over eight million pounds per annum.

CLAUSE 3.

“That such hours of work should be established as will provide reasonable leisure and opportunity for self-culture.”

Hours of Work : Self-Culture.

This question may be considered first from the standpoint of the workers, and secondly from that of industry as a whole.

From the standpoint of the workers it is clearly desirable that their hours of work should be so limited as to leave them an adequate margin of leisure and opportunity for self-culture. We do not know what labour-saving machinery may be introduced in the near or distant future, nor what the normal working week will eventually come to be. At present, the

practical question before us is whether we can afford to limit it to 48 hours, thus allowing the workers a reasonable amount of leisure, or whether such a limitation would seriously interfere with the nation's industrial efficiency and ability to compete in the world-markets. It must be remembered that, whatever working week is established, an adequate money wage must be paid. In other words, any reduction in the working hours must not involve a reduction of wages.

There is a large mass of evidence that the general introduction of an eight-hour day is not incompatible with the development of economical and efficient production. This has been proved again and again by firms who have introduced a 48 hours week. A shorter working day does not necessarily reduce output for the following reasons :—

(1) A 9 or 10 hours working day usually involves beginning at 6 in the morning or soon after, and it is notorious that work before breakfast is never efficient.

(2) When working 48 hours a week, breakfast is taken at home before starting for work, and there is only one meal time during the working day. Now, no matter how well organised a factory may be, every stoppage for a meal means waste of time at each end of the break. The breakfast interval may normally be only half-an-hour, but the actual time lost from efficient work is probably at least three-quarters of an hour. Employees do not work up to the moment the stopping bell rings, nor do they begin again on the stroke of the starting bell.

(3) But apart from the above considerations, a man working a short week can and will as a rule work more efficiently, and accomplish more per hour than one who is working a long one. The more severe the work, the greater are the advantages of a shorter working day. Where work is very light, a man may be able to continue to put forth his best effort during a comparatively long day; but where it is severe it is physically impossible for him to do so. In the former case if the hours are reduced without a reduction of wage, often the result will be to increase the cost of production. But most industries are made up of numbers of different occupations, some of which involve light work and others heavy work; and experience in average industries shows that the nett addition to labour cost, due to reduction of hours is comparatively insignificant, and any slight increase in it can be counterbalanced by the introduction of labour-saving machinery or more efficient administration.

(4) It will be argued that the speed of work is often regulated by automatic machinery, and that from the point of view of output, it does not matter whether the machine is operated by a tired worker or one who is full of energy. The truth contained in this statement, however, is very partial. It applies where a piece of work is put into a machine which operates upon it automatically for a very long time. Take, for example, turning a very large piece of metal, which, once it has been fixed in the lathe remains there for many hours, while all the worker has to do is to see that the machine is working smoothly and very occasionally to make an adjustment in it. But such operations are comparatively rare. More frequently work is put into and taken out of an automatic machine at comparatively short intervals; and here, the speed with which his operation is performed is materially greater when the worker is fresh and alert than when he is tired. He works fewer hours, but each hour is more valuable. There are other occupations, such, for instance, as those of the driver and conductor of a tram, where

though no direct economy is effected by shorter hours, the avoidance of risk constitutes an indirect economy. Notwithstanding this, however, in such occupations, a reduction of hours, without reduction of wage, will undoubtedly involve an increase in working costs. But taking industry as a whole, the great number of experiments which have been made in reducing working hours to, say, 48 per week, show conclusively that the general establishment of such a limit will involve no material addition to working costs, and that the nation's ability to compete successfully in the markets of the world will be increased rather than diminished.

The subject may, however, be regarded from a broader standpoint. It is obviously to the advantage of the whole community that the workers should be encouraged to utilise the opportunities which are provided for self-culture. But men who have to leave home between 5 and 6 in the morning, and who do not return home till 6 o'clock at night, cannot be expected to attend lectures or classes. There is no energy left in them! If the country is to advance on sound and progressive lines, the democracy must take an intelligent interest in social and political questions, and the young people must spend part of their leisure in intellectual development. The establishment of a working day which will allow them to do this is absolutely essential to the nation's future welfare.

Detailed evidence of the economy of short hours will be found in the following publications:—

Memoranda No. 5, 7, and 18, compiled by the Health of Munition Workers' Committee. Cd. 8,186, 1½d.; Cd. 8,213, 1½d.; Cd. 8,628, 3d.

Second Interim Report on Investigation on Industrial Fatigue, by A. F. Stanley Kent. Cd. 8,335, 1s. 6d.

CLAUSE 4.

“That the prevention of unemployment and the provision of adequate insurance against it should be regarded as a first aim both of the Industrial Councils and of the State.”

The extent of Unemployment.

Roughly speaking, in pre-war days, the average number of persons unemployed at any one time in the British Isles, was about half a million. In other words, on the average about 95 per cent. of the workers at any one time are employed and 5 per cent. unemployed. The disastrous effects of unemployment are so familiar to us all that there is no need to dwell on them. What is needed is a remedy.

How to deal with Unemployment.

Our attack upon this evil must be twofold. First, the actual amount of unemployment must be reduced to the lowest possible minimum, and, second, adequate provision must be made for those who suffer from unavoidable unemployment. It is of supreme importance that the matter should be dealt with effectively, whether we view it from the standpoint of industry or from that of the unemployed worker. The importance of rendering industry more efficient in the future is universally recognised. It will involve, among other things, the introduction of labour-saving machinery and more capable administration, and persuading the worker to place no restriction on output. But we can hardly expect him to sympathise with these

movements so long as they may expose him to the risk of immediate suffering through unemployment. For although we all know that in the long run the introduction of such methods does not increase, but rather tends to reduce the amount of unemployment, the immediate effect may be to throw individuals out of work. We must remove this fear of unemployment before we can enlist the hearty co-operation of the workers.

Dealing first with the amount of unemployment, not a little can be done by individual employers, and still more by Industrial Councils, consisting of groups of employers and representatives of workers. We cannot here explain in detail the steps which may be taken in a factory to regularise employment, but experience shows that where careful consideration is given to the subject by the management, a great deal can be done in this direction. Apart from alterations in industrial methods which revolutionise an industry, it should be possible for an employer to guarantee his workers against unemployment arising from the introduction of labour-saving machinery, or their own increased efficiency. He might, indeed, occasionally have a few surplus workers on his hands, but these could soon be absorbed in a factory of any size, where there is always a leakage of workers from one cause or another and it is easy to find vacancies for those displaced. This method might involve a little immediate loss, but it would be more than made up to the employer by the effect on all his workers of the removal of the fear that unemployment might result from greater effort on their part. What happens in an individual factory would happen more extensively if a guarantee of this kind were given to workers by an Industrial Council.

The second means by which the volume of unemployment might be reduced would be for the State and public bodies generally to make a systematic attempt to regularise employment, by the retardation or advancement of contracts according to the condition of the labour market.

But even after all that was possible had been done in the ways indicated above, there would remain a considerable volume of inevitable unemployment. As a rule, unemployment means to a worker, so long as it continues, the complete or partial cessation of income, and often distress and privation both for himself and his family. Therefore, if the whole problem is to be solved, effective steps must be taken to provide unemployed persons with an adequate income. Now we have seen from the figures already quoted that even before any definite and concerted attempt is made to reduce the volume of unemployment, on the average 95 per cent. of persons are in employment and only 5 per cent. unemployed. Thus, a contribution equal to 5 per cent. of the wage bill would yield a fund sufficient to pay unemployed workers full wages. We do not here maintain that such a course would be advisable; but clearly there is no insuperable financial difficulty in providing an adequate unemployment fund. Probably, in order to cope with the evil it would be necessary to introduce a system of universal compulsory insurance against unemployment, with a great increase in the unemployment benefit of 7s. a week now payable in the insured trades. Industries should be allowed to contract out of the national scheme, if they could show that they were prepared to guarantee their workers terms as liberal as those which it provided. It would be for the Industrial Council, representing any given industry, to consider whether they could reduce the volume of unemployment within it to a level below the average. If they could, the burden of providing an unemployment insurance fund would be correspondingly lowered, to the advantage of both workers and employers.

But although general principles may be clearly laid down, careful study and close examination are needed before definite and detailed proposals can be submitted for dealing with the problem of unemployment. It is imperative that we should grapple with the whole subject with the least possible delay.

CLAUSE 5.

“And that apart from such changes as may be made by general consent, the pledges to restore the Trade Union Regulations, suspended during the War on grounds of patriotism, should be completely fulfilled.”

The Trade Union Regulations.

No argument is necessary to convince the public that this portion of the resolution is reasonable and just. At the beginning of the war, when the need for increased output became urgent, the Government entered into negotiations with the Trade Unions, in consequence of which many conditions by which the latter had succeeded in safeguarding the interests of the workers were withdrawn for the period of the war. A solemn pledge was given to the Trade Unions that when peace was declared those conditions should be restored. It is clear that the pledge then given must be carried out both in the letter and the spirit, if, taking all the circumstances into account, the Trade Unions demand such fulfilment. But in the past four years it has come to be recognised that industrial conditions can never again be just what they were before the war. So many changes will take place that it may be desirable to modify some of the conditions which come under the pledge given by the Government. Any such modifications, however, must only be made as a result of conference between the Government and the Trade Unions, and must be approved by the latter.

Looking to the future of industry, nothing could be more disastrous than that the solemn pledge given to the workers by the Government should be broken.

CLAUSE 6.

“That steps should be taken by the State to prevent exploitation of the public by Trusts.”

The Question of Trusts.

The tendency to amalgamation and to the formation of trusts is developing very rapidly in industry. There is already almost complete amalgamation in a number of industries, while amalgamations of banks, on which all industries are dependent, has proceeded in recent years at a rate which has caused considerable uneasiness with regard to possible consequences. There is little doubt, however, that the trend of industry in the future will be towards further amalgamation.

Amalgamation between firms which are at present competing, although it has its dangers, has very definite advantages. It opens up possibilities of economy in production, and in the purchase and sale of the products of industry both in this country and abroad, which are by no means negligible. The experience of the United States seems to point to the undesirability of introducing legislation prohibiting amalgamation. But if the policy of amalgamation is to develop rapidly, as apparently it will, there is obviously a danger that it may lead to the exploitation of the consumer, and steps must be taken to avoid this contingency. Careful consideration is being given to the subject by a Government Committee, and it would be premature to suggest the methods by which they may think it desirable to safeguard

the interests of the public. The resolution does not, however, attempt to deal with methods, but merely lays down the principle, and it is thoroughly in accord with the traditions of the Liberal Party that the welfare of the community as a whole should be the first consideration. It should not be impossible to devise means whereby the legitimate advantages arising from amalgamation may be secured, without jeopardising the interests of the public. Possibly a public audit of accounts of trusts and some control over the selling prices might be among the safeguards it will be necessary to adopt.

CLAUSE 7.

"That National control of monopolies such as railways, canals, and coal mines, should be maintained and extended with a view to ultimate ownership, if further experience proves it to be desirable."

National Control of Monopolies.

During the War, the Government found it necessary partially to control the bulk of the industries in the country, and almost entirely to control railways, canals, and coal mines, which are virtual monopolies. Although the partial control exercised over industries which are not monopolies has been much criticised, there can be no doubt as to the beneficial consequences of the Government control of monopolies.

Control of Railways.

The financial terms of the State control are simple. Each Company is guaranteed its net traffic receipts in 1913, and, in addition, allowances are made for arrears of maintenance of rolling stock, war bonuses to railway workers, and other special circumstances. The direction of the railways is left in the hands of an Executive Committee, consisting of the managers of the principal companies; but, subject to this direction, the actual management of individual railways has continued in the same hands as before the war. The amount of joint working has, of course, greatly increased, and precedence has been given in all cases to military, naval, and other Government traffic. Great economies have been effected by this joint working, with regard to which we may cite the fact stated in the "Board of Trade Journal" for April 11th, 1918, that railways were able in 1917 to cope with a goods traffic 60 per cent. heavier than before the war, although fewer locomotives and waggons were available. The financial results of Government control are not known in detail, but Mr. Bonar Law said in the House of Commons in December, 1916, that it had been a great success from the point of view of the State, and had resulted in a substantial saving to the tax-payers.

Control of Canals.

The financial terms under which English and Irish Canals were taken over were the same as those allowed to the railways. But whereas railways were controlled almost immediately after the outbreak of war, canals, other than those owned by the railway companies, were left uncontrolled until 1917. By that time the staff engaged in working them was so seriously depleted that their continued use seemed likely to become impossible if they were left in private hands. Consequently, all the canals in the country were taken over, and at the present time are controlled by the Canal Control Committee, which is responsible for 1,202 miles of waterway in England and 304 miles in Ireland. In addition to this, the Railway Executive Committee

controls 1,025 miles of canal which belong to the railway companies. As a result, a considerable volume of traffic has been diverted from the railways to the canals, and the congestion on the former has been lessened. Although the Government has thus taken over the waterways, it was not found advisable to control the whole of the carriers, as their number was very great. Consequently, they were allowed to decide for themselves whether they would, or would not, come under the scheme of the Government.

The advantages arising from the Government control of railways and canals have been so marked that it is in the highest degree desirable that they should be secured permanently for the public benefit. Railways and canals are virtual or actual monopolies, but they are essential to the life of the community and ought to be regarded as we now regard roads. The whole matter must be very closely examined, before it can be decided whether they should be nationalised, but certainly in the future they should exist primarily for the service of the whole nation.

Experience in such countries as Denmark and Belgium, where the railway and canal systems are highly developed, not with the object of immediate gain but that of public service, and where they are the property of the community, has shown in how many ways they may serve national ends. The extraordinary agricultural development in Belgium is due in no small degree to its remarkable railway and canal system. Again, the great facilities for cheap workmen's tickets in that country have had a profound effect on the social life of the community. They have rendered labour more mobile, and thus lessened unemployment, and they have enabled urban workers to dwell in the country, with far-reaching and beneficial results. Both in Belgium and in Denmark, the policy of the Railway Departments has been to foster such agricultural and industrial expansion as was considered advantageous to the community as a whole, even although the railway or canal enterprise which it involved might not be immediately lucrative.

Control of Mines.

The exigencies of war also compelled the Government, in November, 1916, to take over the control of coal mines. Under the financial agreement entered into, the owners surrender 95 per cent. of any profits in excess of the "profits standard," that is, the average profits of the best two out of the three years before the war, or the best four out of the six years before the war. In exchange for this, the State guarantees to them the pre-war profits standard, subject to a reduction where the output is reduced. In virtue of the above arrangement, the Controller of Coal Mines has power to control the production, distribution, prices and consumption of coal. In this way great economies have been effected in its transport, and all difficulties in connection with the fixing of prices have been overcome. Moreover, the knowledge on the part of the miners that they were working for the common good has lessened labour difficulties. Although the actual management of the mines has not changed hands, they are no longer run for the profit of the few, but for the benefit of the many.

The resolution affirms that national control of such monopolies as railways, canals, and coal mines should be maintained and extended. Only experience can show how far the nationalisation of any industry may be desirable, but there will be general acceptance of the principle that monopolies should be conducted in the interests of the general public, and if the community is best served by their nationalisation then they must be nationalised.

XI.—HOUSING AND HEALTH.

BY PERCY ALDEN, M.P.

We are just beginning to see the close relation that exists between all the various questions which go to make up what is called the Social Problem. No illustration of this could be more conclusive than the way in which bad or inadequate housing affects the health of the people. A nation that is not properly housed is not truly civilised, and cannot possibly be healthy. Compare the general death-rate or the infant mortality rate of a slum area with that of a district in which the houses are well built and the general amenities satisfactory, and it is easy to see there can be no solution of the problem of disease and ill-health apart from a drastic treatment of the housing problem. This is a commonplace in theory, but the truth has hardly been recognised in practice.

Influences of the War.

During the war the question of housing has been made more difficult and complicated in two ways. In the first place, there is a shortage of some hundreds of thousands of houses, and in the second place, owing to the rise in the cost of building materials and the restrictions imposed by the Government, building has been made almost an impossibility. In the same way the lack of labour and the cost of material has made it difficult to renew property falling into decay, while the clearance of an insanitary area is beyond the power even of a wealthy local authority. Even before the war the local authorities were finding it difficult to keep pace with the demand so far as the improvement of existing houses was concerned, while the Act of 1909 had broken down in respect of the clearance and re-planning of slum areas.

The two facts, therefore, that we must bear in mind in considering what is to be done in respect of housing and town planning after the war are :—

- (1.) The large shortage of houses in both urban and rural districts owing to the failure or inability of private owners and local authorities to build.
- (2.) The large number of existing houses and tenements which are altogether defective and insanitary.

It is true that there has been an attempt made to deal with the housing of munition workers and shipyard employees in a few definite select areas ; but even here the number of houses constructed has been inadequate, and year by year the situation has grown worse. It is estimated by the Local Government Board that at the close of the war there will be a shortage of not less than 400,000 houses in England and Wales. The Royal Commission

on Housing in Scotland estimates the shortage at 120,000 and considers that at least 200,000 new dwellings will be necessary if housing conditions are to be made satisfactory, while in Ireland, especially in towns like Dublin and Belfast, a very large number of new houses is required in order that the existing insanitary accommodation may be dealt with and improved. In its circular of 1915 the Local Government Board suggested that:—

“Whilst not unduly relaxing the standard of public health administration in their area, local authorities should, as far as possible, refrain from requiring the execution of work the cost of which has to be borne by private individuals, unless the work is urgently necessary for the removal of nuisances or the protection of health.”

The general effect of the war on housing has been to put a stop to improvement schemes and to make impossible new building. The situation, therefore, with which we shall be confronted at the close of the war when the men return from the front is one full of danger to the community as a whole.

The need for a National Scheme.

The General Committee of the National Liberal Federation which considered this question, regarding a national housing and town planning scheme as a primary need, urged upon the Liberal Party the importance of taking strong measures. It considered “that the duty of providing houses should rest with the local authorities and that the State should insure that schemes are prepared by them immediately so that the necessary building could start at once at the conclusion of the war.” It added:—

“If the Local Authorities fail to discharge their responsibilities within a fixed period, the houses should be provided by the State.

“In order to facilitate the work devolving on local Authorities—

“(1) Any additional cost which is due to war conditions and is temporary should be treated as a war charge and be borne by the Exchequer.

“(2) The State, while encouraging Local Authorities to find their own capital, should definitely undertake to find it when the latter are unable to do so.

“It urges Liberals in all parts of the country to give Local Authorities their utmost possible support in carrying out a progressive Housing Policy.”

In this connection it is worth while quoting the words of Mr. Walter Long, when President of the Local Government Board. Referring to the necessity for housing the men who had fought in the war, he said: “To let them come from horrible water-logged trenches to something little better than a pigsty here would indeed be criminal on the part of ourselves, and would be a negation of all we have said during this War, that we can never repay those men for what they have done for us.” But it is not merely that the nation would show base ingratitude to the men who have fought and suffered if we fail to supply them and their families with proper houses. We have also to remember that the future of this country depends upon the breeding of a strong, healthy and virile race and that nearly every aspect of social and industrial reconstruction emphasises the need for a sound physical basis which can only be provided by proper housing. At any cost we must build, and if the local authorities are unable to meet the emergency the community must step in and undertake the responsibility.

Reasons for a Big Programme.

Perhaps it would be as well to state some of the reasons why a big building programme is essential at the close of the war.

(1.) The clearance of slum areas, or the closing of insanitary houses, is impossible until accommodation can be found for the inhabitants who are so displaced.

(2.) The existence of insanitary and defective houses, together with the overcrowding which is on the increase, must have a very serious effect upon the health of the people and render the work of the Public Health Authorities more and more difficult. Lack of fresh air and sunlight is responsible for much of the infant and child mortality, as also for the spread of tuberculosis.

(3.) The Royal Commission on Industrial Unrest draws attention to the fact that insufficient and bad housing is a fruitful cause of unrest. If this is the case during the war, when millions of men are away from home on active service, what is it likely to be under the conditions created by demobilisation?

(4.) The lack of houses in rural districts is a great hindrance to agriculture and food production. The pre-war shortage of cottages in rural districts was estimated at 120,000. No building has taken place during the war, and the policy of the Board of Agriculture of ploughing up 2,000,000 additional acres of grass land, a policy generally approved, has made it necessary to supply some 30,000 more cottages in agricultural areas. If we wish men who have served as soldiers and sailors to go back to the land, they must have decent homes to which to return.

(5.) In order to enable demobilisation to take place as rapidly as possible, useful employment must be found for all those engaged in the building trades who will naturally wish to return to their own occupations. In this way the housing problem links itself up with the unemployed problem. Nearly all the materials for building can be obtained in this country. The immediate need will be State encouragement in the shape of financial assistance to the local authorities. If such financial assistance is forthcoming, there is no reason why something like 1,000,000 men should not be employed in the work of building construction after the war is over. It would be a far better way of utilising their services than by continuing to pay separation allowances for unproductive work.

Private Enterprise Unequal to the Occasion.

We must not under-estimate the difficulties that confront us in embarking on a large and comprehensive scheme of housing, and in the first place it must be admitted that private enterprise is unequal to the occasion. Working class houses are for the most part erected by the speculative builder to sell. In a large number of cases the purchaser obtains a loan from a Building Society and either occupies the house himself or lets it to other tenants. Public Utility Societies, Co-operative Societies and various Trusts have been responsible for building a large number of houses, but it would not be untrue to say that the increasing cost of building due to dearer labour and dearer materials and restrictive bye-law regulations has made other forms of investment more attractive.

The present increase in the cost of building over pre-war prices is not less than 70 per cent., and even when comparatively normal conditions are

re-established some years hence, it is estimated that they will be still some 30 per cent. to 40 per cent. higher than before the war. In that case it is clear that rents must go up, and houses built immediately after the war, unless the State intervenes, will probably be rented twice as high as similar houses built in 1913. We must remember also that the State before the war was lending money at three and a-half per cent., and the rate of interest is now five and a-half per cent. The effect of this will mean that not only will the new houses be rented at a much higher rate, but also the old houses six months after the war are likely to increase in value when the increase of Rent and Mortgage Interest (War Restrictions) Act, 1915 ceases to operate. All the authorities, therefore, have regretfully come to the conclusion that we must not rely upon private enterprise to meet the shortage of houses and that in any case if rents are not to immediately leap up the Government must step in and subsidise new housing with a view to cutting down rents both on the new and the old.

Capital and Financial Assistance.

Failing private enterprise, from which we must not expect too much, the primary responsibility for building will rest on the local authority, and the view was expressed at the Liberal Federation meetings that the definite duty of preparing plans and of erecting sufficient houses should be thrown upon these bodies is the view that generally finds acceptance. But if it is the primary responsibility of the local authorities to build, it is none the less the primary responsibility of the State to provide the necessary capital upon such conditions as will not impose upon these authorities a heavy burden of debt. The immediate difficulty that faces us in the shortage of houses is the result of war conditions. The President of the Local Government Board, replying to a deputation of the Trade Union Congress on November 20th, 1917, said, "The War Cabinet had decided to afford substantial financial assistance to those local authorities who were prepared to embark upon housing schemes immediately after the war. The Government had committed itself to this housing policy, and he had persuaded the War Cabinet that it would be the foremost question after the war and that any money available in the country would have to be allocated for housing purposes."

The State, then, will have to provide the necessary capital. But in addition to capital, financial assistance must be forthcoming. No inducement should be offered to local authorities to delay building, and if the additional cost is regarded as a war charge and borne by the Exchequer, there is no reason why any delay should take place. Finally, where the local authorities fail to take action, the State must step in and carry out the housing schemes on its own account.

How to deal with the Inflated Cost of Building.

It may be worth while considering as a method for dealing with the inflated cost of building the recommendation of the Royal Commission in Scotland :—

"That to enable local authorities to fulfil the statutory obligation above referred to the State should, for a period of seven years subsequent to the war, make up by way of subsidy the difference between the rentals received by local authorities from their housing schemes and the outgoings for such properties

"That at the end of the period of seven years the Government should have the houses which have been erected during that period valued, and should then pay the local authorities the whole capital loss, *i.e.*, the difference between the cost of the houses and the ascertained value."

This method would have the advantage over a fixed grant-in-aid of a percentage of the cost, inasmuch as such a grant might be more or less than the amount necessary to deal with the possible decline in building cost. This in effect is the method adopted by Mr. Hayes Fisher in his new Bill introduced on October 28th. It is almost impossible to say what the real difference between the pre-war cost of building and the normal post-war conditions will really be, and therefore the method of the Scottish Royal Commission has distinct advantages.

Taking it for granted, then, that the nation recognises the importance of this question and the necessity for State assistance, we must be on our guard lest the increase in rents which is sure to follow is not out of all proportion to the increase in wages. We expect a general increase in the cost of living of which rent is a part, but we do not expect that that increase in the cost of living should be borne by the working-classes and the community generally, without any regard whatever to the unfortunate position in which so many of the best elements of the population will find themselves at the conclusion of the war. The housing problem is a part of the poverty problem, and economic rent cannot be paid if the working classes are inadequately remunerated for their labour.

Purchase of Land : Building Materials.

If housing schemes are to go forward immediately after peace is declared, action must be taken by the Government to facilitate the purchase of land. Some speedier method of procedure must be devised and if necessary recourse must be had to the Defence of the Realm Act. What is wanted is compulsory immediate purchase without costly legal proceedings. If in addition to this the State could see its way to purchase building materials and distribute them at cost prices, it would be a further inducement to the local authorities to take immediate action. The purchase of building materials would make it easy to give effect to the recommendation of Sir Tudor Walters's Committee in respect of standardisation, and the Local Government Board would be justified in putting the utmost pressure upon the local authority with a view that the plans of the houses constructed should be of a high standard and that every opportunity for town planning of new areas should be seized and utilised.

Finally, in view of the Local Government Board's Circular of March 18th, and the Housing Bill referred to above, in which the State undertakes to pay 75 per cent. of any estimated financial deficit resulting from a housing scheme, we would urge that a considerable number of local authorities may be unwilling to bear the remaining 25 per cent. of loss; that such loss should in justice fall upon the National Exchequer; that such an offer will clearly exclude all private enterprise and that ultimately the burden will be thrown upon the State. It is far better that the State should take the burden of responsibility from the very outset, since sooner or later the opinion of the country will compel the construction of the new houses so necessary to the health of the people.

Drastic Measures Necessary.

The Bill to which we have referred is, of course, only a part of a larger measure which the Local Government Board has in hand, and perhaps it is sufficient to say that the real test will come when the local authorities generally are asked to undertake what, according to the L. G. B., over 1,000 of them have already promised to do, viz., select their sites, choose their architects and build with Government loans on the understanding that the State will bear 75 per cent. of any deficit which may occur. Whatever the future may bring forth in the shape of a Housing Bill, this much is certain, that the country will not be satisfied with anything short of drastic measures, and such a Bill should ensure :—

- (1.) That there is a sufficiency of houses for the whole population ;
- (2.) That these houses are well built, well drained, well ventilated and well lighted ;
- (3.) That these houses should be built in accordance with a definite plan sanctioned by the Local Government Board and that a strict limit should be placed on the number of houses to be constructed on any given area of land.

HEALTH.

Notwithstanding the great improvement which has taken place in our national health, there is a growing feeling that much of the inefficiency and overlapping in Government Departments dealing with public health could and should be remedied. The need for co-ordination and a more vigorous attempt to save human life has been emphasised first by the wastage of war, second by concern for the health of war workers, and last by certain aspects both of the birth-rate and of infant mortality. It is true that the United Kingdom has an advantage over the other belligerent nations, with the exception of America, in respect of the surplus of births over deaths. In Germany, Austria and Hungary there has been a large surplus of deaths over births. It is not necessary to give these vital statistics in detail ; but, apart from the loss on the battlefield, Germany and Austria-Hungary have each lost by deaths over births something like 600,000.

Greater Public Health Activity.

It will not do to rest content with our superior position, and it is a matter for satisfaction that the actual and potential loss of life in the war has aroused the interest of the nation and stimulated the Government to greater public health activity. Measures taken to safeguard the health of war workers as a result of the Committee on the Health of Munition Workers will react favourably when we come to deal with the health of the working classes generally. The reports published on industrial canteens, housing, shorter hours, fatigue and welfare work, if generally adopted, will mean a more careful oversight of the conditions of industrial life as a branch of preventive hygiene, and in this way become an important element in industrial efficiency. We are apt, in discussing causes of disease, to overlook factors of causation like low wages, inadequate or unclean food, insanitary housing or overcrowding, intemperance and lack of hygiene. The new view of preventive medicine has regard to heredity, social and industrial conditions and the whole environment of the people.

The Proposed Ministry of Health.

All that is required is to examine the close relation between insanitary housing and such a disease as tuberculosis to come to the conclusion that the new campaign in favour of health for all classes of the community must be one which deals with every side of life, and it is for that reason that so much stress is now laid on the importance of establishing a new Ministry to be called the Ministry of Health. It is not the case that such a Ministry can in a brief space of time create a revolution in the health of the people or diminish rapidly either the death or disease rate, but the first step to real improvement lies in wider powers, better co-ordination of all existing departments concerned with public health, and a more resolute attempt to attack every side of the problem at the same time. You cannot separate off the health of the worker from the problem of housing. You cannot in dealing with disease, as it is found in the industrial ranks, neglect the fact of long hours, or arduous work, for there is no doubt that fatigue is one of the foundations of disease. You cannot deal with the question of fatigue without attacking the problem of cheap and well-cooked food, since a well-equipped canteen in every big industrial concern improves both the health of the worker and the output of the factory.

The Care of the Young.

The more we study the problem of disease, especially as it affects the poorer classes of the community, the more certain becomes the conviction that the first and most important step is to care for the young. The nation that scientifically watches over the health of the children is the nation that will survive whether in industry or in war. The future of this commonwealth is with the young, and the protection of the mother and the child is absolutely essential if the welfare of the nation is to be safeguarded. "Every society," said Mr. Asquith, "is judged and survives according to the material and moral minima which it prescribes to its members." No waste is so irretrievable as the waste of the rising generation. Unless you start with the child, you run the risk of having to deal later on with disease in a cumulative form which manifests itself either in ill-health and inefficiency or in a high general death-rate.

Accordingly, the first task of a Ministry of Health would be to deal with the problem of child life. Perhaps it would be as well to make clear the scope of the Ministry of Health as contemplated in the Bill which has been introduced. It will include :—

- (1.) Maternity, infant welfare and midwifery.
- (2.) The work of the National Insurance Commission.
- (3.) The whole question of housing as it affects the health of the people.
- (4.) The sanitation and public health work of the Local Government Board, including the treatment of venereal diseases and tuberculosis.
- (5.) It will take over the functions discharged by the Poor Law Guardians in relation to sickness and infirmity, leaving the remainder of the Poor Law to other departments of the Government.

Health and Welfare Work.

It may be necessary at a subsequent stage for the Ministry of Health to take over the whole of the industrial health and industrial welfare work in connection with workshops and factories which is at present controlled by

the Home Office and Ministry of Munitions ; but whether it would be wise to attempt to absorb the medical work of the Board of Education is more doubtful. The general feeling which has been frequently expressed is that the Board of Education under its Chief Medical Officer has done a very remarkable work in connection with the inspection and treatment of school children, and the probability is that it will continue for the present to deal with all children over the age of five. There ought to be no great difficulty in effecting the administrative reforms which would enable the representatives of the new Ministry, the Home Office and the Board of Education to co-operate in the great work of improving the health of the nation. It is not necessary that the new department should be complete in every detail, but it should allow of gradual development and lead in the end to unity of system and control.

But even before the Ministry of Health is established there is much that may be done to improve the public health of the nation, and this is especially true in all matters appertaining to infant and child welfare. It has been well said that " a high infantile mortality necessarily indicates a prevalence of those causes and conditions which in the long run determine a degeneration of race." We have made a big advance in the saving of child life, as is shown by comparing the decennium 1901-1910 with the four years previous to the war, 1911-1914. If the number of deaths up to five years of age had been as great in the four years preceding the war as in the ten years referred to, 144,000 more children would have died than actually did die in that four years. That is to say, we saved on an average 36,000 lives a year. The largest number of deaths occur in the first year after birth, being double the number occurring in the next four years of life combined, and of the total deaths in infancy nearly one-third occur in the first month and about one-fifth in the first week after birth. These figures show that we must deal with ante-natal conditions and then give special care to the infant as soon as it is born.

Maternity and Infant Welfare Centres.

Women naturally, therefore, attach much importance to the establishment of maternity and infant welfare centres in every district throughout the length and breadth of the land. In all poor districts every woman in an advanced state of pregnancy should be so cared for and guarded that she is not allowed to engage in occupations involving strain and over-exertion, since she is thereby risking the life of the child and diminishing her own ability to nurse the child after it is born. There is no such thing as a normal infant death-rate. A favourable ante-natal environment for the child, and proper treatment for the mother at this critical period of the life, demonstrate conclusively that this is the case. It is just because the poorer classes are not surrounded by these favourable conditions, that there is a difference between the death-rates of infants under one month in Hampstead and Shoreditch of some 25 per cent. and in Brighton of 40 per cent. in the poorest families as compared with the well-to-do.

These illustrations might be multiplied indefinitely. It is sufficient to say that the infant death-rate among the working-class is apparently one in four, among the middle class one in six, and in the upper class one in ten or twelve. The first step, therefore, is to carry out as completely as possible the provisions of the new Maternity and Child Welfare Act, and every

local authority should be encouraged to take immediate action. Grants of half the cost are now available for Lying-in Homes, for provision of Home Helps, for the provision of food for expectant and nursing mothers, for the hospital treatment of children up to five years of age, for establishing *crèches* and day nurseries and convalescent homes, and, finally, for providing homes not only for the children of widowed and deserted mothers, but also for illegitimate children. The women electors in every district should see to it that the local authorities and the voluntary agencies unite to carry out the provisions of this Act. No mother, however poor, and no infant, whatever the condition of the parents, should now suffer for lack of care and attention at critical periods. An effort must be made to combine and unify the work of hospitals and doctors, midwives and health visitors, monthly nurses and home helps. Midwives should be public servants paid partly by the local authority and partly by the State, as in the case of Medical Officers of Health. In this way we shall build up a sure defence against the inroad of disease, affecting a reduction in expenditure due to such disease and a great improvement in our national health.

The Question of the School Child.

Next comes the question of the school child. Under the new Act which became law last Session, which will always be known as Mr. Fisher's Act, reforms are effected which strike at the very root of disease and inefficiency. This Act requires every Education Authority to formulate a progressive and comprehensive organisation of education in its area. It either requires or encourages :—

- (1.) Nursery schools for children from two to five.
- (2.) Central schools or classes for practical instruction.
- (3.) Similar classes for advanced instruction.
- (4.) Holiday and school camps and playing fields.
- (5.) Centres for physical training, school baths, etc.
- (6.) Schools for physically defective and epileptic children. But in

addition to this it makes compulsory :—

- (1.) Medical inspection in all schools.
- (2.) Medical treatment in all elementary schools.

There are other important clauses in the Act dealing with juvenile employment, but perhaps the most important clause of all so far as the health of the nation is concerned is that which makes medical treatment compulsory in all elementary schools. Up to the present about 220 local education authorities provide some sort of medical treatment by means of school clinics, and about 480 clinics have now been established ; but we are only just on the threshold of a new departure which will revolutionise the health of the child if only the citizens in each locality will back up the central authority in its attempt to enforce the new legislation. The great majority of counties have no medical treatment at all at present, and yet the need for such treatment is overwhelming.

Medical inspection has shown that something like 1,000,000 children of school age are so physically and mentally deficient that they are unable to derive full benefit from the education which is given to them. About 500,000 are suffering from diseases of the ear, the throat and lymphatic glands. It is estimated that 3,000,000, or nearly half the elementary school population, have dental trouble, or decayed teeth, that 90,000 children have

heart trouble and 60,000 tuberculosis in one of its various forms. Here is an immense opportunity for the new interest in welfare work to manifest itself, and by means of medical treatment of school children more could be done in one year to secure the health of the nation than in ten years after these children have reached the stage of adolescence.

The Treatment of Consumption.

There is still much lee-way to make up in the treatment of tuberculosis. It is impossible, of course, to eradicate consumption without drastic dealing with the housing problem; but much can be done if much more satisfactory financial provision were made for the construction of additional sanatoria and for the treatment of tuberculosis in special local clinics. Above all, in order to stamp out this scourge, fresh air and sunlight are necessary. Sanatoria schools for children should be provided and open air work generally increased. What applies to housing in respect of tuberculosis applies also to factories and workshops. The standard of ventilation and of lighting is not yet high enough, and the Home Office, which has the whole of the industrial health and the industrial welfare of the worker under its control, will have ruthlessly to enforce its regulations if this disease is to be got under control.

A Spirit of Progress Essential.

Finally, whatever changes we may make in our central departments, and however anxious we may be for the reconstruction of our public health administration, no great measure of success will be achieved unless the local authorities can be inspired with the spirit of progress. This desirable end will be obtained when the pressure from above is reinforced by a policy of ample grants-in-aid in order to stimulate the local health authority in the widely extended medical service now entrusted to its care. Experience has shown that it is no use imposing duties from above unless you give assistance and advice at the same time.

Establish first of all your Ministry of Health, appointing a man of wide experience with knowledge not only of health matters, but also of local government. Appoint an advisory committee composed largely of the Chief Medical Officers of different departments, whose business it should be to make representations as to the changes that are required and the legislation that is necessary to give effect to the more scientific views of public health which the stress of the war has brought into prominence. Establish your new department on such lines as to allow of a gradual development, get it into working order if possible before demobilisation begins, and in this way you will do much to prevent the great waste of human life that is now going on and lay firm the foundations of the new commonwealth.

XII.—THE LAND AND AGRICULTURE.

BY THE RIGHT HON. F. D. ACLAND, M.P.

I have been asked to deal with certain aspects of the above question, and select for brief consideration the questions of access to land by public authorities, allotments, and the wages of the agricultural worker. In addition to the question of housing, which is dealt with below, they are among the most fundamental if a sound basis is to be laid for agricultural reconstruction.

Compulsory Acquisition of Land.

The purposes for which Public Authorities will need rural land after the war are many and diverse. Towns should not be so concentrated. Swift and cheap means of communication along arterial roads should enable slums to be swept away and replaced by open spaces and bold town planning work in country districts should be done by our great Urban Authorities. Returning sailors and soldiers, who have learnt during the war to work in association should be given the chance of settlement in co-operative colonies. Reclamation of our waste places on moors and estuaries should be undertaken. The timber supplies of the kingdom should be made secure by large schemes of afforestation carried out by a Central Authority. The arrears in the work of finding small holdings for approved applicants should be overtaken as soon as possible, and further holdings in large numbers should be provided for ex-Service men. There should be steady periodical surveys parish by parish in our country-side, and where it is found that those who have the responsibility and the power have not used it for making the villagers really independent, with a fair prospect before them of advancing on an agricultural highway, the land must be resumed by the State and placed under public control. For all these purposes, and for others, easy, cheap, sure access to land by compulsory powers is necessary. It may not often be necessary to resort to compulsion; but unless the power is there, there will in many districts be no chance of progress.

Our system of acquiring land for public purposes is at present entirely out of date and in need of alteration root and branch. It need not be described, for all of us know instances of the abuses for which it is responsible in saddling rate and taxpayers with enormous unjust burdens, and in giving to private owners often three or four times the amount that can fairly be estimated as the real value of the land. A new code should replace the Lands Clauses Acts, for unless a new code is set up very promptly, there is no hope at all that land will be used, as it should be, for the benefit of the whole community. The whole matter is difficult and complicated, but certain points may be mentioned which are simple and practically unquestioned by those who have studied the subject.

1. The complicated and much too expensive procedure of private bill legislation should be abandoned, and an impartial sanctioning

- authority should be appointed for the special purpose of considering all schemes put forward by public departments or local authorities.
2. When the general outlines of a scheme of acquisition have been sanctioned by a sanctioning authority the question of the compensation to be assessed should go before a single arbitrator appointed from a panel of whole-time valuers whose services should be retained by the State.
 3. The general basis of the compensation to be given for land acquired compulsorily should be what the land would realise if sold by a willing seller, and all the customary allowances on account of the acquisition being compulsory should be abandoned, and no special compensation should be given on account of the land having a special value to the purchaser.
 4. In determining the compensation for severance from or injurious affection to the remaining lands belonging to the same owner, regard should be had to the extent to which the land may be benefited by the purchase, as well as to the extent to which it may be depreciated.
 5. Where public bodies have enhanced the value of land by any improvement, they shall be entitled to share in the increased value by means of betterment charges upon those whose interest in property has been enhanced.
 6. Awards should state separately the compensation given in respect of each particular interest in land and each particular item in the claim made.
 7. Promoters of schemes should not be bound to proceed with them on account of having served notices to treat, but should be able to withdraw at any time on paying for any damage suffered and the costs incurred.
 8. The arbitrator should have power to disallow costs unnecessarily incurred, and counsel should not be employed unless specially authorised by the arbitrator.

A committee of the Reconstruction Committee, of which Mr. Leslie Scott is chairman, has been for some time considering these and other similar questions. Their report when published should be carefully examined, and if it is found to be on the lines above suggested every effort should be made to secure its adoption by the Government and the early passing of the necessary legislation.

Allotments.

One of the main purposes for which it will be necessary to acquire land permanently will be allotments. The allotment movement during the war has grown beyond all recognition. The movement has all been pure gain, for the allotment work has been done in the spare time of the holders and has not been taken from their war work. By relieving this country of need for food from abroad it has enabled many tens of thousands of American soldiers with all their supplies to be taken to France. And it has come to stay. Hundreds of thousands of holders who took up cultivation merely as a war measure have been deeply attracted by it, and desire security of tenure of their war plots just as ardently as does any country dweller who may look to his allotment as a stepping stone to a small holding. The land taken by Local

Authorities under Defence of the Realm Regulations is to be kept under normal circumstances for at least two years after the war, but more than this is wanted.

The principle should be that land, whether taken in this way or not, should not be resumed under private ownership until after a public enquiry held by a public authority at which it has been shown that the land is immediately required for some public purpose more essential to the community than allotment cultivation. Moreover, in all schemes of town planning—and in future no town should be allowed to grow without a proper town planning scheme—either good gardens should be provided with all the houses built, or permanent provision should be made for allotments close to the homes of the householders. All local authorities should, subject to the approval of a Central Authority, have independent powers for securing land for allotments, and it should no longer be possible for a major authority to delay or veto the schemes of a minor authority. It should be made easy to secure direct action by the State or by some Authority to which a central department has delegated its functions in default of action by local Authorities. Co-operative societies of allotment holders so organised as to secure the best possible cultivation, and the best use of co-operative methods in purchase of requirements and disposal of produce, should be encouraged in every way possible. They have during the war proved to be not only invaluable in food production, but a most effective means of getting persons of different classes and aspects towards life to co-operate in the best forms of self-help and of help to the community.

Agricultural Workers' Wages.

The Corn Production Act, 1917, set up Agricultural Wages Boards for England and Wales, Scotland and Ireland. It has been claimed that securing a minimum wage for the agricultural worker was one side of a bargain with the farmer of which the other side was guaranteeing him minimum prices for his grain crops. This argument was never used by the Government, which was responsible for the bill, and it should not be admitted. Before the war all political parties were agreed that the low level of wages in many of our rural counties was nothing less than a disgrace to what should be the greatest of our industries, and that it could only be remedied by setting up Wages Boards under State authority. The question of guaranteed minimum prices should be examined on its merits, and far more examination of the economics of agriculture, and of costs of production both actual and under the best conditions of cultivation and organisation is necessary before final judgment can be given. But the system of regulating wages under Government authority has come to stay, and the Wages Board and the district wages committee which work with it should not be allowed to disappear when the Corn Production Act expires in 1922. The work of the Board has already secured to the worker, with the consent of the great mass of the best of the farmers, a real improvement both of conditions and prospects, and signs are not wanting, in spite of the absence of most of the best of the younger workers on war service, that the improved status of the worker has resulted in steadier and keener work.

Minimum wages have been fixed for the ordinary agricultural worker varying from 30s. a week in most of the eastern and southern counties to 32s. and 33s. in the suburban counties, and 34s., 35s., and 36s. in the North-West and North. Hours of work have been fixed, after which overtime rates

have to be paid, which are generally 48 in the four winter months and 54 for the rest of the year. Overtime rates have to be paid at time-and-a-quarter on weekdays, and all Sunday work is treated as overtime at time-and-a-half. If the worker presents himself for work on weekdays the full week's wage has to be paid, even though the hours worked are less than those named. There is an undertaking that after the war all work beyond that of a customary full morning shall on one day of the week be treated as overtime—which will in practice secure a Saturday half holiday. Special classes of labour—the horse-man, stockman and shepherd—have generally secured rates of wage of 5s. or 6s. in advance of those above quoted—for the customary hours of work—and appropriate rates have been fixed for boys and for women and girls. An agreement has been reached which should gradually in practice do away with the worst aspects of the tied cottage system, that the Wages Board will when housing conditions are stabilised establish a wage which shall include a sum sufficient to provide an economic rent for a good house and garden. Already it has been secured that a less deduction shall be made from wages on account of a house which has defects of sanitation, accommodation for repair, than for a house free from defects.

Even though it is doubtful how far the increased wage is a true measure of the increase in cost of living, these conditions taken together provide in some of the more backward and out-of-the-way country districts no less than a labourers' charter. They serve to illustrate how valuable the system of Wages Boards may be in securing that higher standard of life on which our Liberal policy insists. It should therefore be an essential part of our policy to back up the work of the Board, and to see that it becomes permanently and fully established.

XIII.—TEMPERANCE REFORM.

BY CHARLES ROBERTS, M.P.

The resolution on the Temperance problem after the war passed by the National Liberal Federation at Manchester brings home the fact that with the coming of peace that problem will again come forward and require solution. During the war agitation of the kind previously familiar has been shut down. A problem affecting so closely the social life of the people never ought to have been a matter of controversy between political parties. But the Unionist Party is not able to resist the temptation of securing the help of the electioneering energies of the Trade, and when at the outbreak of war matters of controversy between the parties were for the time being shelved, the Government held that the question could be discussed only in its bearings on the conduct of the war. With the coming of peace, agitation must revive ; and it will doubtless be coloured by the experiences gained, both at home and on the other side of the Atlantic, of the restrictions imposed as war-measures on the Liquor Trade. It may also be anticipated that the millions of new women voters will take a special interest in a question which directly affects the home and child-welfare. There will be a new driving power behind reforms which in the past have appealed to those who think but which have had weak electoral backing in the constituencies.

Restrictions in Great Britain.

During the war, then, the Trade in this country has been affected through three different channels :

1. The output of intoxicants has been heavily curtailed. This process began with Mr. Walter Runciman's Output of Beer (Restriction) Act, 1916, which proposed to reduce the output of beer by 15 per cent. In the year before the war there were thirty-six million barrels of beer brewed, and, as the menace of the submarine grew, these were cut down by successive steps to 10,000,000 standard barrels in February, 1917. At that date the consumption of wines and spirits was to be cut down to 75 per cent. of the 1913 basis. The distilling of spirits for potable purposes appears to have ceased by the beginning of 1917. It should, of course, be said that these barrels of a "standard" strength have been increased by a process of dilution to a considerably higher figure for purposes of actual sale ; and some addition to consumption was afterwards allowed. For 1917-8 the consumption of spirits was about 50 per cent. of the previous year. The authorised standard barreliage of beer was also reduced by about 50 per cent. ; but allowing for dilution, the real reduction was about 30 per cent.

2. Taxation of beer and spirits has been heavily increased, the burden, of course, being passed on by the Trade by means of higher prices to the consumers. In 1918 Mr. Bonar Law, speaking of "the big profits that have been made in the Trade during the past year," raised the duty to 30s. per gallon of spirits, and the beer duty to 50s. a barrel. The position in the

Trade was highly artificial ; with the shortage of supplies, any prices could be demanded, and the Food Controller used his power to fix maximum prices, which would leave a fair profit to those engaged in the trade.

3. The great bulk of the war-time restrictions on the Trade have, of course, been imposed by the Central Control Board (Liquor Traffic), set up under the Defence of the Realm (Amendment No. 3) Act, 1915, which provided for State control of the Liquor Trade in any area on the ground that war-material was being made or loaded or unloaded or dealt with in transit in the area or that men belonging to the naval and military forces were assembled in the area. For a full account of these restrictions reference should be made to the third and fourth Reports of the Board.* As during the war, the whole country became practically a military, naval, or munition centre, it is not surprising that by April, 1917, the Board's operations covered nineteen-twentieths of the area of Great Britain and affected a population of 38 out of 41 millions. The more remarkable of the changes which it has introduced may be summarised as follows. The sale or supply of intoxicants for consumption on the premises was restricted on week-days to 2 or $2\frac{1}{2}$ hours in the middle of the day, and to three (or in some cases two) hours in the evening. On Sundays, where the sale of drink is allowed, the hours of sale or supply were made somewhat shorter still. Thus the number of hours of week-day sale was reduced from 16 or $19\frac{1}{2}$ to 4 or $5\frac{1}{2}$ hours, and the advantage of the afternoon break in the hours in preventing the habit of soaking is obvious. Sunday Closing was introduced for Monmouthshire, the Forest of Dean, and in the part of Cumberland adjacent to Scotland, including the city of Carlisle. The hours of sale for consumption off the premises were still more drastically curtailed, and measures were taken to prevent street-hawking of liquor, and the pushing of liquor for sale in the home. Treating and sales of liquor on credit, subject to exceptions for meals, were absolutely prohibited. Throughout the area under the Board's control spirits had to be diluted, so as to be 30 per cent. under "proof," and the limit of permissible dilution was extended to 50 per cent. under proof. The sale and supply of spirits in licensed premises and clubs was prohibited over the Northern and North-Western parts of Scotland, North Hebrides, Orkney and Shetland, and a part of Argyll, at the urgent request of the naval authorities ; the evening sale of spirits in a part of the Southern military and transport area was stopped with beneficial results. A special scheme of supervision was introduced in the Clyde Dock area and at Rosyth ; and in cases of serious offence, 168 licensed houses have been closed for the remainder of the current licensing year.

Secondly, the restrictive side of the Board's operations must be supplemented with a reference to its policy of establishing or inducing employers to establish industrial canteens. By March, 1918, there had been established 840 such canteens. In connection with munition works employing about a million workers. These canteens are with few exceptions "dry" ; and in some of these exceptions, the intoxicants are restricted to one pint of beer for each person for consumption with a meal ; and in others the sale of light beer under 2% is permitted. As to the beneficial effects of this policy of supplying good food to the employees, reference may be made to the Reports. The work is now under the control of the Ministry of Munitions.

* Third and Fourth Report of the Central Control Board (Liquor Traffic) Cd. 3558 and Cd. 3055, price 3d. each. H.M. Stationery Office, 28, Abingdon Street, S.W. 1.

Thirdly, as is well-known, in four areas (Carlisle, Gretna, Invergordon and Enfield) the Control Board have taken the direct control of licensed premises into their own hands by a policy of outright purchase. The official account of this experiment is given in pages 14-21 of the Control Board's Fourth Report.

Prohibition in Canada.

Let us now briefly glance at the position on the other side of the Atlantic, for the remarkable achievements in Canada and the United States during the war can hardly fail to impress public opinion in this country. In Canada, apart from the case of Prince Edward Island, which has been prohibitionist since 1907, province after province has been completely cleared of the Liquor Trade. Manitoba, Nova Scotia, Alberta, Ontario and Saskatchewan became prohibitionist in 1916; Newfoundland, New Brunswick and British Columbia in 1917; in Quebec 84% of its area is "dry" under its Local Option Law. This prohibitionist policy in the provinces of Canada was generalised by Act of the Dominion Government for the whole Dominion in April, 1918. Sir Robert Borden, Prime Minister of Canada, in answer to a request for information, recently telegraphed:—

"Prohibition of importation, manufacture and transportation brought into effect by Dominion Government on April 1st, 1918, has been too recent to announce definite results. It will of course cut down materially Customs and Excise revenue. Prohibition of sale as provincial measure has been in force in eight out of nine provinces sufficiently long to realise and confirm expectation of great benefits, moral, commercial and industrial consequent on its enforcement."

Prohibition in the United States.

The position at the present moment in the United States, according to the latest available information, is as follows:—

1. State prohibition has been enacted in 32 States and territories, is in operation in most of these, and will apply to all during the present year.

2. The Prohibition amendment to the Federal Constitution, which requires ratification by 36 States to be effective, has up to date been ratified by 14, of which five were "wet" States; and it is quite possible that the 36 will be secured by April, 1919, and in that case the ratification will be effective twelve months later.

3. On the outbreak of war the Congress prohibited the further manufacture of spirits, and empowered the President to commandeer all existing stocks of spirits for munition purposes, and to prohibit the sale of beer. The manufacture of beer is prohibited as from 1st December, 1918, and existing stocks of beer will probably be consumed by the middle of January, 1919.

4. Both Houses of Congress have passed the bill entirely prohibiting the Liquor Traffic in the United States during the war and demobilisation as from July 1st, 1919. This includes prohibition of the import of all intoxicants from abroad.

The effects of Restriction in Great Britain.

The Trade, then, has been handled across the Atlantic with a thorough-going and drastic vigour, which has left English reformers acutely disappointed with the contrasted timidity of our regulations. But it would be a serious

misreading of the facts, if we failed to recognise the salutary progress which our control of the Liquor Trade within its limits has achieved. The factors directly affecting the Trade have been high prices, shortage of output and serious restrictions on sale and supply. Other novel conditions not to be lost sight of are the millions of men on foreign service or under military discipline at home, the considerable numbers of men returning on leave, the excitements and dislocations of war-time, the masses of women newly entered into industrial work, and a high level of wages offset by rising prices of all commodities. The salient points that emerge are, first, a heavy fall in the amount of absolute alcohol consumed, secondly, a vast rise in the drink-bill owing to higher prices for diluted liquors, and, thirdly, a most striking reduction in convictions for drunkenness.

(1) Measured in terms of absolute alcohol consumed, the consumption in 1917 is estimated at 38 per cent. below that of 1916, and 50 per cent. below that of the pre-war year 1913.

(2) The drink-bill is estimated at £259,000,000 millions in 1917; as compared with £204,000,000 in 1916; £182,000,000 in 1915, and £164,500,000 in 1914.

(3) Convictions for drunkenness have shown an astonishing reduction as compared with a pre-war year, 1913. In the areas under the Liquor Control Board (nineteen-twentieths of Great Britain) convictions for drunkenness fell in 1917 to 41 per cent. of what they were in 1913; for the first six months of 1918, they were only 17 per cent. of the 1913 standard. This cannot be only due to absence of men at the front; the reduction in convictions of women is no less marked, the figures for 1917 for women being only 33 per cent. of the 1913 standard. The Commissioner of Police for the Metropolis quotes and agrees with the superintendents of the 700 square miles of the Metropolitan Police District, who attribute the decrease of 75 per cent. in the statistics of drunkenness in their area to

"the working of the Control Board's orders with respect to restricted hours of sale, treating, and their restrictions on the sale of spirits, the diminution in alcoholic strength of those beverages and also their greater cost to the consumer. 'In my judgment,' says the Commissioner, 'their opinion upon this point should be accepted.'"

Concurrently there has been a heavy fall in deaths from alcoholism, delirium tremens cases, and also in cases partially attributable to alcohol, such as attempted suicide, suffocation of infants, and deaths from cirrhosis of the liver.

Temporary character of Restrictions.

As there is sure to be a demand by the Trade for the immediate cessation of the war-time restrictions on the coming of peace, it is important to see the limits of duration of these emergency statutes and regulations. Most of the restrictions are made under the Defence of the Realm (Amendment No. 3) Act, 1915, and may be continued in any area to which they are applied for a year from the close of the war. Any regulations made under the general Defence of the Realm Act lapse with the close of the war. The Clubs (Temporary Provisions) Act, 1915, aimed at the regulation of night clubs and prohibiting the use of clubs by gamblers and prostitutes, terminates at the close of the war. Any restriction of output under the Output of Beer

* Report dated 25th February, 1918; quoted in Control Board's Fourth Report, page 8.

(Restriction) Acts, 1916, would lapse at the end of the quarter in which the war ends. Mr. Walter Runciman has said that "If the restrictions now imposed on the sale of intoxicating liquor are relaxed in the least degree when the war is over, those responsible for their relaxation would be guilty of a grave social crime." Vigilance and prompt action will be needed.

Teachings of Experience.

Some deductions, then, may fairly be drawn from this experience :—

(1) Events in Canada show the possibility of getting localities with their own consent to free wide areas completely from the Liquor Traffic. It will be remembered that the Temperance (Scotland) Act, which grants local option in Scotland, comes into full force after the expiry of a time limit in 1920. It will be for the electors to see that no Government tampers with its provisions. The immediate grant of local option powers over new licences would keep clear the areas of new housing schemes after the war, and such powers over all licences should be granted as soon as may be. The educative effect of putting powers into the hands of the people is all-important.

(2) A policy of progressive restriction, such as the Liberal Party have stood for, has been vindicated. It has been often said (and never proved) that "you cannot make people temperate by Act of Parliament." It has been demonstrated beyond possibility of disproof that you can make a nation more sober by adoption of a restrictive policy.

(3) The value of counter-attractions, referred to in the Manchester resolution on Temperance Reform, must not be overlooked. The industrial canteens run on temperance lines point the need for better housing and for "indoor parks" for winter-time in our cities. The factors that make for social demoralisation, such as poverty, bad housing and drink, co-exist and act and react on each other; it is true that you cannot remedy one of these factors without also affecting the others for the better; only alcohol is a chemical substance that lends itself to isolation and separate scientific treatment.

(4) The great improvement in social order must not lead us to forget that the financial problem has been solved perhaps in Canada, but not in England. "One of the things," said Mr. Lloyd George in 1915, "we cannot afford is a drink bill of £160,000,000." What we have in fact afforded in war-time is a drink bill of £259,000,000. With a National debt of 8,000 millions the country cannot stand this reckless extravagance, with all it means. When it stops living on borrowed money, an effectual remedy must be found.

"Nine Points" of the Churches.

Much of the Transatlantic success is due to a union between all the American and Canadian religious bodies to promote temperance reform. Those who realise this fact will note with interest the formation of a Temperance Council of the Christian Churches in 1915 to focus the opinion of these bodies on the subject. The Council represents the temperance views of the Roman Catholics, the Church of England, and all the leading Nonconformist bodies. To secure unity of action this Council puts forward only such subjects as are unanimously approved by all the organisations composing the Council.

Their programme of "Nine Points" * consists of (1) Sunday Closing, (2) restriction of hours of sale of drink on weekdays, (3) reduction of the number of licensed premises, (4) the increase of the power of the local licensing authorities, (5) the control of clubs, (6) the abolition of grocers' licences, (7) prohibition of sale of intoxicating liquors to young persons, (8) local option (the Council defines local option as the right of a locality to vote on the three options "no change," "reduction," and "no licence"), (9) provision of alternatives to the liquor tavern.

It will be noted that these "objectives" are very similar to many of the proposals embodied in the Liberal Licensing Bill of 1908, which passed the House of Commons by very large majorities, only to be rejected by the House of Lords. They lay no stress on restriction of output, the effect of higher prices, or the co-ordination of restrictions under a central authority; and their rule of unanimity apparently prevents them from pronouncing on the old crux, the claim of the Trade to a vested interest in their licences.

The vested interests of the Trade.

On that long-standing obstacle, which has wrecked many bills, a few words as to the present position may be added. The anomalous vested interest conceded in 1904 to the licence-holder in England and Wales is certainly not a freehold interest; the licence-holder under that Act has, subject to good conduct, at most a continuing interest in the licence, qualified by the right of the authority to extinguish it at yearly intervals on payment of compensation out of a limited fund raised from his fellow-licensees. Sir Thomas Whittaker, M.P., and those who follow his lead would buy out these interests outright; and he is convinced alike of the financial feasibility and the Temperance advantages of that plan. The bulk of the Temperance organisations are violently opposed, fearing the dangers and hating the idea of the State's further complicity in the Trade. Mr. Lloyd George, as is well known, has advocated a scheme of purchase. The Liberal Party has in no way accepted the scheme, many of its financial experts holding that the burden of national debt is anyhow now too heavy for a speculative investment of millions in a trade which ought to be reduced or ultimately extinguished. In that case there remains no way of dealing with the vested interest, except by such a time-limit as on a consideration of all the equities of the case may be thought fair both to the Trade and the nation. Reformers of this latter school urge that the long time limit of 14 or 21 years proposed by way of compromise in the Bill of 1908 cannot now bind their hands. The Trade has had a still longer term of notice; and during the war Mr. Bonar Law's reduction of the licence duties, which fall on the profits of the Trade, by some three millions and the lowering of the compensation levy have enabled the Trade to escape the losses falling on many other industries and to make large war-time profits, while passing on the extra beer and spirit taxes to the consumers†. These points, at all events, they urge, must be considered with others when the settlement comes.

* See "Nine Points on the Agenda." Hon. Sec. Temperance Council, 1, Central Buildings, Westminster.

† Licence Duties, 1913, £4,521,723.

Compensation Levy, 1913, £349,756.

Licence Duties, (Budget Estimate) 1918, £1,100,000. Compensation Levy, 1917, £409,915.

XIV.—EDUCATION.

BY LORD SHEFFIELD.

The matters calling for immediate decision are urgent, and we cannot put public education in the first rank. We have won a great prize, but our Ship of State is battered, and the horizon is thick with indications of troubled times, and the crew that mans the ship is largely increased in numbers, but with mariners inexperienced and more likely to listen to the voice of hope than of caution. It seems, therefore, not amiss to ask that time should be given to consider carefully proposals before they are adopted hurriedly, and this is specially true in the matter of education.

The Latest Education Acts.

We have had two important enactments this year on this subject, the one Mr. Fisher's Bill for England, the other the Scottish Education Bill. As to the former, it was avowedly drafted so as to avoid the controversial points raised by the Acts of 1902 and 1903, and challenged repeatedly by the whole Liberal Party from 1906, when they came into power, till the larger issues of the exclusive control of the House of Commons over finance, and the limitation of the power of the House of Lords which became important not only in reference to finance but also on the questions of Home Rule for Ireland and Welsh disestablishment, made the reassertion of Liberal principles as to public education pass into the background. It is probably true that the vital questions connected with the new democratic forces which will henceforward have almost complete control over political issues have diminished the active interest of the electors in those matters which are associated with religious liberty and the exclusion of ecclesiastical influences from matters of civic interest.

The advocates of religious equality and of the emancipation of the State from ecclesiastical control, were chiefly to be found among the great Nonconformist bodies. Not that the labour organisations and the political leaders of the Labour Party were not in favour of complete public management of the schools maintained by public funds and which are considered as available and suitable for the whole community. In fact, year after year the Trades Union Congress has passed with little or no dissent resolutions calling for universal public management of the public schools system, and for their independence of all ecclesiastical influence or denominational character. For many years the Congress declared in favour of a secular system, and though this demand has been lately modified in the direction of affirming the unsectarian character of the schools, there is no reason to doubt that the majority of the Trades Unions still prefer a secular system.

But it must be admitted that the organised force of labour is directed

much more to the social and economic questions which affect the material welfare of the wage-earners than to those matters in the region of the mind, which though they are of the utmost importance do not come home to their daily life.

Liberals and Public Control.

When, however, the education question comes up for settlement, the Liberal Party will undoubtedly not prove false to its principle of public control and management where public money is expended. It will also insist that teachers who are servants of the community shall be as unfettered in their conscience, and in their freedom from all ecclesiastical ties and tests as every other servant of the State, whether municipal or national; and the Liberal Party will also claim that the common schools which should do much to lay a firm and sound foundation for common citizenship shall be places where the children meet as sharing a common life and where the common atmosphere of civic association shall prevail, and not an atmosphere as claimed by some of the churches, which at an age when differences based on diverging thoughts can have no place, shall aim at creating a prejudice which tends to estrange one from another those whom we wish to grow up as much as possible with the same ideas of duty and of citizenship.

But this vivifying and unifying principle of the common public school under the management of the local community and aided from public funds and guided by a Central Government but not so as to supersede the full measure and necessary force of local management and local interest, is rather the foundation on which our school system must rest. The further important condition at which we must aim is that the instruction given shall be as liberal and intelligent as possible and carried out in all grades so that all who desire to go forward shall have the fullest opportunity not only for their own sakes, that they may make the best use of their ability, but also for the sake of the community in order that all our citizens may help to the fullest extent to develop the resources of the nation and that all by training and attainments may be most qualified to do their duty to the utmost not only in their private capacity, but as citizens who will all have a voice in the affairs of the State and who should, therefore, have impressed upon them their responsibility and obligation to live and act for the welfare of the whole community, and of the world at large. But if we insist on our schools having a high aim in the development of individuality, the formation of character and a sense of public duty, we must beware of aiming at the creation of a type or at the making the opinions of the majority for the time being the pattern to which the minds of the children should be induced to conform.

The Teaching of a State Religion.

There is no greater danger to the healthy development of the human being than the teaching of a State religion or a State morality and standard of public duty. There is a danger, especially now that we see what is considered a dangerous type of public opinion such as Bolshevism laying hold of the imagination and aspirations of the most numerous class, that we should seek for an antidote in the formal inculcation of loyalty and of patriotism. Such an attempt has been made in Germany and especially in Prussia, where the school has been used in the hope that it would turn out docile subjects ready to take the impression that the rulers of the State require.

Such an attempt if successful destroys self-respect and initiative and substitutes mechanical obedience for free assent. It is fatal to liberty in the nation ; it is fatal to self-respect and honesty in the teachers. A man who teaches what he is ordered to teach, not what he has thought out for himself, not only humiliates himself but sterilizes and deadens his teaching.

Teachers, like other people, mostly reflect the current opinions of their age and class. Fear of public opinion, mental inertia and the unconscious acceptance of the general point of view are far too great hindrances to the free thought which is the only safe base for a clear intellectual vision and for the honest expression of opinion. But if we set up an obligation to teach some recognised set of theological doctrine, some scheme of politics or of economics which has State or Municipal sanction, we inevitably make the opinions of the day which are generally inherited opinions which are being unconsciously modified even while they are formulated the scholastic articles and creed which are expected of the scholastic servant of the State.

In Prussia it is notorious that a most systematic enforcement of three or four State-approved theologies prevailed in all the schools. The free-thinker was not allowed to withdraw his child from the prescribed course, and confirmation was a State enforced rite which led up to many occupations including, I have heard, even some that we should consider infamous. What has been the result among the artisans of Prussia ? A neglect of the churches and an alienation from their ministration which is more marked than perhaps in any other country. The schoolmaster also was under the severest penalties forbidden to show any leaning to the Social Democratic Party. Probably, in the teachers this obligation resulted often in hypocritical uniformity, which though humiliating is less fatal than that "lie in the soul" which results in a lower moral depth than the conflict between conviction and acquiescence.

As for the pupils turned out by this system, the Social Democratic Party rallied to itself the great majority of the working-class. But the moral poison of the system created a torpor of the soul which secured drilled obedience but crushed out initiative and that reaction of the free citizen spirit against official dictation which is the safeguard of liberty and the promise of social progress.

No system will secure the majority of teachers more generous, more active-minded, more full of a sense of responsibility than the community in which they live. But if we secure to them by all legal means the absence of all coercion or allurements to adopt some official scheme of teaching in the supposed interests of the State, we may hope that their professional spirit and interest in the children entrusted to them will help to strengthen them in the claim which they ought to make for themselves and for their pupils that in the region of opinion they shall not only be free, but that they shall feel that the community values their freedom as one of the most important conditions of their success.

The Experience of the Scottish Education Act.

It might be thought that this plea against setting up the compulsory teaching of religion or politics or economics was hardly needed at the present day and having regard to the traditional advocacy of civil and religious liberty by the Liberal Party. But the recent experience of the Scottish

Education Act shows that while public attention is distracted by the war, we are not safe from legislation which violates the principles emphatically recognised by Liberals and reaffirmed by them up to the war.

The Scottish Education Act has provided that the denominational schools which hitherto received Parliamentary grants but were independent of the School Boards and received no help from the rates shall be compulsorily taken over by the School Boards and maintained by them, and moreover that while this charge is imposed on the ratepayers they shall further be required to buy the buildings. In addition, the teachers of these transferred schools are all to be of the religion of the previous managers, they shall give the teaching hitherto given, and they shall receive the same salaries as the other teachers. As there are often Catholic Schools taught by nuns who have no separate incomes, this will amount to a large endowment of convents out of the rates. As these schools become public schools the local authority will have in many cases to spend large sums in repairing them and bringing them up-to-date, and if a group of parents desire a denominational school there is a further obligation imposed on the local authority to provide one. Thus the denominations are relieved of the obligation if they want a school of a sectarian character of providing it and keeping it in repair, and while the schools are nominally under public management yet the teachers have to be satisfactory to the former managers and are subject to tests.

Already the Archbishop of Canterbury and other friends of denominational schools in England have uttered a cry of triumph and see in this legislation an omen of a similar invasion of sectarianism in England.

It is surprising that a Ministry which contains many who used to pride themselves on their Liberalism and even their Radicalism, and which has a certain number of members who were formerly attached to the Labour Party should have combined to pass such a Bill.

A Warning Necessary.

But the friends of public control should give a clear warning that no such legislation can be tolerated in England. For in Scotland there are at any rate public schools under real public management available for all and free from tests for teachers. But in England the greater area of the rural districts is still the exclusive domain of the Established Church and a majority of the managers are necessarily attached to that Church. In Scotland these denominational schools are nearly all in the large towns and merely afford a choice of schools to those who prefer them. But in England no one pretends that in the rural districts the denominational schools exist through the preference of the parents; they exist because the combination of the landowner and of the clergy, nearly always supporters of the Tory Party, have provided a church school, and even after the passing of the Education Act, 1870, they secured a priority of school supply and only allowed the public board school to come into existence where private effort was not forthcoming. The existence of the dual system on England has prolonged sectarian conflicts and has been for nearly fifty years a hindrance to the growth of education, as before 1870 it stopped the way to any public effort.

But Liberalism will not be content in this country to allow the education of the people to be to any extent dependent on clerical control or sectarian

influence. Above all things education must be under direct popular management of the community whose children it takes charge of and at whose cost it is given. The education of the community is a far more important thing than the care of the poor, and yet who would tolerate the maintenance of the old monastic systems of doles side by side with the public relief of the poor, especially if the monastic almsgiving claimed a share of the rates?

Wherever in our colonies and dominions the English race has had free play in the development of institutions, a state system has been established which had had the exclusive support of public money.

So, too, in the United States, it has been felt that the common school was vital to the welfare of the people and has been one of the greatest forces in building up a national unity in spite of the vast influx of the most diversified alien immigration.

What the Schools Should be.

This country is now entering on a new phase of its life in which more than ever all are called upon to co-operate for the welfare of the community, and if we are to have that unity of citizenship which is one of the great powers which make for progress, we want especially that the schools of the people shall be the common ground where all shall be drawn together.

The schools of the future will be far wider in their scope and available for a far larger proportion of the population. Mr. Fisher's Act makes it the duty of local authorities to provide secondary education, and enacts that no one shall be prevented by poverty from using those schools if he is fit to study there. Thus the highway of learning is broad and open. No doubt besides free education bursaries will have to be provided to a reasonable extent, and the Universities also will have to be more adequately equipped in premises, staff, and plant, with a wide recognition of all learning in all its branches.

The cost involved will be very considerable. Already, the Act of this Session entails a very heavy increase in the rates in spite of the promises of State aid. But it may be confidently expected that with the fullest measure of local management and control, if possible by elected authorities concerned with education only, the interest of the nation in all classes will be so roused that it will be felt that if the burden is heavy the effort will be amply rewarded.

XV.—LIBERAL PREPAREDNESS FOR WAR.

BY THE RT. HON. HAROLD BAKER, M.P.

In the turmoil of the Great War there have been few efforts so misplaced as those intended to cast discredit on the Government in power from 1906 to 1914 on the ground that its military preparations were inadequate. It is the purpose of this article to deal solely with the pre-war period, the facts of which are ascertainable and have almost passed into the region of history. Later events will only be referred to when necessary for argument or illustration. Moreover, as the character of the war itself has tended more and more to colour the past, it is increasingly important in order to correct false impressions that events should be taken in their true order.

Not prepared for a War of Aggression.

It may be admitted at the outset that in so far as the charge is relative to Germany, who prepared as fully as her foresight permitted and enjoyed all the advantages of the selected moment, it holds good but is hardly worth stating. We were unprepared to take the initiative or even a secondary part in a war of aggression. In another sense also when the war broke out we were unprepared, in the sense in which every nation, including Germany, was unprepared; that is to say, that not even the authors of the war anticipated either its length or the extent to which it would upset preconceived theories of tactics and preferences for particular types of armament. Certainly it would be unfair to blame our newly-formed General Staff for not being more intelligent than those of foreign nations with their accumulated knowledge and practical experience, and, indeed, there is little disposition to do so. The charge is laid against the Government as a whole. It has never been precisely formulated, and, as Mr. Asquith remarked at Manchester, the word unpreparedness is sometimes spoken by way of commendation, sometimes by way of reproach. However that may be, we will assume that there are critics who adopt it in an extreme form and allege a positive failure on the part of those responsible to provide the Empire with adequate protection against the foreseen danger of a great European war. Admitting that war, if not foreseen, was at least a possibility which could not be disregarded, we must first examine briefly the actual preparations made and then consider their adequacy.

The Actual Preparations Made.

In spite of the lesson of the South African War, in 1905 the military forces of the Crown may without exaggeration be described as a chaotic assemblage of fragments incapable of mobilisation. The Regular Army was seriously deficient in many respects, and no provision had been made for supplying the deficiencies in the event of war. It was not fully organised

in divisions with the requisite staffs and commanders for war. The Cavalry was short of horses, the Artillery of men, and the only large unit, the Aldershot Army Corps, was unfit to take the field without considerable delay. In the second line was the Militia, which was bled by the Regular Army in time of peace and under no obligation to serve abroad in time of war. The third line was composed of an indeterminate mass of Volunteers and Yeomanry, which competed with the Militia for the best of its recruits. Though an attempt had been made to lay the foundations of a brigade organisation, in general the Volunteers had no unit above that of a battalion. In some branches, such as Garrison Artillery, they had a surplus; in others, notably in Field Artillery, they were wholly wanting, unless a number of so-called batteries of position, armed with museum specimens, are to be reckoned under this head. They were distributed over the country in haphazard fashion, with no regard to military necessities. The three lines were uncorrelated, and had no defined functions. Above all, there was no power of expanding the Regular Army in time of need.

These were the elements of the problem which Lord Haldane and his professional advisers had to solve, and during the years 1907-8 the framework of a new order of things was securely built. In the result, the three lines were replaced by two, each with clearly defined functions. The Expeditionary Force was created and given a divisional organisation complete with divisional cavalry, transport, medical and supply services, all capable of ready mobilisation and concentration. The Special Reserve, which took the place of the old Militia, was designed to complete the Expeditionary Force in certain minor respects on mobilisation, but principally to cover wastage during the first few months of a war. By an extensive scheme of subsidy and registration, an ample supply of horses was guaranteed for the Cavalry, and, at a later date, a similar system was applied to mechanical transport for the Army Service Corps.

The second line was the Territorial Force, composed of 14 divisions and 14 mounted brigades, also complete with all the auxiliary services in due proportion and organised as an army on substantially the same pattern as the Regular Army. It was designed for home defence, or for voluntary service abroad. The redundant garrison artillery was for the most part formed into field artillery and armed with the old 15 pr. converted into a quick-firer.

The question of officers, not only for mobilisation but for peace time also, had become serious. The old sources of supply were no longer available, owing to the superior attractions offered by a business career. To meet this difficulty and to supplement the output of Sandhurst and Woolwich, the Officers' Training Corps was founded in the Universities and Public Schools with an additional unit for London.

Of great importance also was the reorganisation and extension of the Army Medical Service. That for the Regular Army was enlarged and organised on modern scientific principles. For the Territorial Force a new scheme was framed, the *personnel* for which was to be recruited from civilian doctors, surgeons and nurses, and a number of general hospitals were prepared for use on the outbreak of war. It may be observed that this *personnel*, notably the Voluntary Aid Detachments, which have proved invaluable in war, could only have been obtained under a voluntary system. The foundations of the new Air Service were also laid. Criticism of this has been largely

to the effect that insufficient encouragement was given to inventors and manufacturers. Time will determine the truth; but certainly in the initial stages the policy deliberately followed was to trust rather to science than to commercial enterprise. The National Physical Laboratory and the Royal Aircraft Factory were valuable factors in the development of the Flying Corps, and ensured progress on even lines. Finally, mention must be made of the National Reserve, which formed a register of men who had had previous military training and undertook to offer themselves in case of emergency for re-enlistment or for garrison duties at home.

The General Staff : Training.

Lastly a directive power was supplied to the machine in the shape of the new General Staff. Initiated by the preceding Government, it was organised by September, 1906, and subsequently, with the assent of the Colonial Premiers given at the Conference of 1907, became the Imperial General Staff. An Inspector of the Overseas Forces was appointed to visit the various Dominions and report on the growth and efficiency of their forces, and an interchange of staff officers was carried out. By this means unity of organisation and uniformity of ideas were secured without curtailment of independence, and when war broke out the Dominion Forces were incorporated naturally and easily into the divisional organisation of the British Army. In defining the functions of the General Staff, great care was taken to limit its authority to strategy, tactics and training. Administration and supervision of supply, as the example of the South African War and the practice of foreign armies demonstrated, are no task for a commander in the field, and a separation of duties was essential not merely for the fixing of responsibility in case of failure but for the prevention of failure itself. The system laid down in the Field Service Regulations Part II. has worked during the present war with uninterrupted smoothness, and to it must be attributed the exceptional success with which the supply of men, munitions and food has been maintained to our armies in the field. The same principle of regimental formations was applied to the Territorial Force, the task of administration being delegated to the newly-formed County Associations. On the training side it should be mentioned that systematic provision was made in each year's estimates of a special fund to be expended by the General Staff on exercises and manœuvres at its complete discretion. This contributed at least as much as any other factor to produce and maintain the exceptional quality of the Expeditionary Force.

The two governing conceptions of these changes, both of them novel in our military history, were the separation of training from administration to which reference has just been made, and the organisation of the forces on a basis not of peace but of war. Rapidity of mobilisation and concentration was the object in view and the test applied at every stage of reform. The event has proved that in this respect at any rate the plans were well laid. On the day before the declaration of war the precautionary steps were taken and 20 divisions of British troops were mobilised complete in all arms. The Expeditionary Force, with the exception of a part which was properly withheld for a short time by Lord Kitchener, was despatched without hindrance from without or delay from within, and reached its destination according to the previously prepared time-table. A 7th Division was mobilised shortly

afterwards. The Territorial Force was mobilised within two days and the deficiency in its numbers soon made up by the return to the ranks of men who had been through its training.

Efficiency of the Army.

From the point of view of efficiency, the army as a whole, in the opinion of those best qualified to judge, was not merely better trained and better equipped than, but different in kind from, any that this country had ever produced. If *moral* and the other fighting qualities be included in the calculation, it may safely be asserted that the Expeditionary Force was the finest military product that has ever taken the field in the history of the world. The scientific organisation of the Medical and Sanitary Services has saved countless lives, economised man-power, and served as a model to the Allies. The Officers' Training Corps, with its 24,000 cadets enlisted for training as officers, proved a valuable reservoir for the new armies at the beginning of the war. The Flying Corps, which had been greatly developed by General Seely, soon established its superiority, and under the impulse of war has made remarkable progress in airmanship and mechanical construction. Last but not least, the Territorial Force, far from requiring the six months' training posited in pre-war plans, sent many of its units into the field well within that period, and these acquitted themselves so well as to win commendation from Lord French, the then Commander-in-Chief. Although still suffering from the undeserved depreciation of its former critics and to some extent ignored in Lord Kitchener's plans, the infantry rapidly reached the level of regiments of the line, while the artillery and yeomanry performed valuable services not merely passively in the Mediterranean garrisons and in India, but actively in Egypt and France.

Criticism and Opposition.

These are now commonplaces ; but the reforms of which they are the fruit were not carried out without opposition. The financial position of a War Minister in this country has never been enviable, and in 1906, with a majority of the House of Commons pledged to retrenchment, the difficulty was great. There was no opportunity for evasion. Criticism had either to be fairly met or frankly admitted. The estimates were, indeed, reduced ; but by the method, not so simple as it would appear, of excluding everything which did not make for military efficiency. The Territorial Force was also for a period made the object of a campaign which inflicted injury by deterring recruits. When Lord Roberts denounced the force as a delusion and a sham and hailed its assumed failure as a blessing in disguise, it was hardly a matter for surprise that its strength should continue below establishment.

Before proceeding, it may be desirable at this stage to deal with two criticisms of detail which have been passed on the reconstitution of forces effected by Lord Haldane. The first concerns the Infantry. There Lord Haldane found certain battalions of the line which had been raised for the South African War but in time of peace could not be brought up to establishment. There were eight in particular with an average peace strength of about 500 instead of 750. The actual Reserve thus stood low, and there would have been considerable difficulty in mobilising these battalions. Drafts for India could only be obtained by the offer of bounties, and at the same time there had been grave departures from the first principles of the Cardwell

system, under which any battalion abroad was to be fed with drafts from a linked battalion of the same regiment at home. With a view to the creation of the Expeditionary Force, the 71 battalions at home became 74, thus duplicating the 74 abroad. The eight new battalions and also a new battalion of the Scots Guards, which were needed neither to give the Expeditionary Force its due proportion of infantry, nor to maintain the Cardwell balance at home, were broken up and the men allowed to join other units or pass into the Reserve.

The second criticism affects the Artillery. As applied to fighting strength, this charge is so grotesquely untrue that if it had not received support in influential though irresponsible quarters it would deserve no mention. The facts are simple. In the case of the Royal Garrison Artillery in distant parts of the world, Lord Haldane found himself in a position, with the full concurrence of his military advisers, to reduce the *personnel*. This favourable opportunity arose from two circumstances. One was the arrangement under which the defences of Halifax and Esquimalt were transferred to Canada. The other was the re-arming of our own and the Colonial coast defences with a more modern gun, which required fewer men to work it than the gun which it replaced. It should further be observed that this change was due to a recommendation of the Owen Committee, appointed before the Liberal Government came into power. But a more important question arises in connection with the Royal Field Artillery. Here the facts are equally simple and equally incontrovertible. In 1906 there were 99 home field batteries, of which 66 were required to mobilise the then field force. There were no training units, and owing to lack of reservists to complete the ammunition columns only 42 of the required 66 batteries could be mobilised, and this could only be done if men were taken from the other batteries to fill the gaps. By 1909, through the automatic increase of the Reserve and the creation of the Special Reserve, the War Office was in a position to mobilise the 66 field batteries complete, and had also added to the Field Force 6 howitzer batteries of a modern type. The remaining 33 batteries were at first used for training the special reserve; but as the old Reserve increased, the number so employed was gradually diminished and those thereby released were used either for extra howitzer batteries or for special instructional purposes. Eventually, by 1912, in place of only 42 batteries capable of mobilisation, there were 81. Correspondingly, the *personnel* available on mobilisation had increased from 38,725 men to 54,865. It is evident that there was in fact no reduction, and that the actual mobilisable strength was greatly increased. When further it is remembered that a valuable addition to our artillery resources had been made in the creation of the Territorial Force Artillery, the case becomes even stronger.

To pass from misunderstandings and perversions, there is a form of criticism deserving of greater respect, which charges the Government with unpreparedness on more general grounds. For example, it is sometimes argued that the reforms begun in 1906 were excellent in intention and in execution, but fell short of what was required, that the change in our foreign policy which was slowly effected during Sir E. Grey's tenure of the Foreign Office should have been accompanied by a corresponding change in our military establishment, or, in other words, that a system of Continental alliances demanded an army on the Continental scale. A more detailed answer to this argument will be found in what follows; but here it may

suffice to say that there was no such system of Continental alliances as has been asserted. Our naval and military preparations were fully adequate to meet such obligations as we had undertaken. The primary one was, of course, the maintenance of a supreme Navy with an effective command of the sea. The secondary one, to send the Expeditionary Force to the assistance of France in the event of an attack by Germany, was punctually and completely performed. Our own interests, as well as those of our Allies, were conserved in the protection of the Channel Ports and the north coast of France. It was the Expeditionary Force that saved them, and the fact that the margin by which they were saved was extremely narrow cannot fairly be attributed to any miscalculations originating in this country. Only by a misinterpretation of our foreign policy and of the principles of imperial defence, could more have been demanded of us than was actually performed.

It is possible, however, to give a wider scope to the argument and to contend that if Great Britain had had an army on the Continental scale, that is to say, had adopted conscription at some date unnamed, the war would have been prevented. This may appear superficially plausible; but a brief examination will show that it involves two highly disputable assumptions, and is also open to two fatal objections.

The first assumption is that Germany would have stood idly by and would not have struck at an earlier date than that which in fact she selected. The period of transition from a voluntary to a compulsory system would have found us at our weakest, and it requires some hardihood to maintain that Germany would either have ignored the implied menace or have refrained from taking advantage of the opportunity, as she did in the case of Russia in 1914. And if it be argued that conscription should have been introduced before the peace of the world was definitely endangered by German designs, that carries us back to a period when other Governments were in power.

The second assumption is that not merely Germany but our present Allies also would have viewed without alarm the creation by Great Britain of a vast army in addition to her overwhelming Navy. Such an assumption contradicts experience. There might well have been such a re-marshalling of the present belligerents as would have left us compelled to fight alone against a united Europe.

The Question of Conscription.

To proceed to the objections, the first is admittedly not one of principle but of political possibilities. No Government could have proposed conscription in time of peace with any prospect of retaining the confidence either of the House of Commons or of the country. It was always easy for patriotic persons to descant on dangers, real and imaginary, and to cry for large armies to be created in a few weeks or months; but it cannot be doubted that the Government and the party which adopted such a cry would have suffered swift and immediate extinction. The proposals actually put forward were for home defence only, and any argument for them was an argument for a stronger navy. The fact that under the stress of war the country consented to conscription proves nothing, and, if the circumstances are examined, shows that only so could consent have been obtained. In both cases the policy followed was dictated by public opinion, and in both public opinion was correct.

The second objection is purely military in its character. After 1906 the problem of imperial defence was naturally considered and discussed from every point of view, and the solution of conscription was ultimately rejected on military advice and for military reasons. The experience of other countries showed that under a compulsory system it was difficult to secure adequate forces for service over seas, and though in the case of Great Britain by the offer of inducements sufficient men might possibly, according to some opinions, have been obtained to supply the needs of the Expeditionary Force and the over-seas garrisons, yet there would have been an interval during which the supply would have been seriously diminished. The interests of India, the Colonies and the defended ports would have been temporarily endangered. Apart from this, the country would have been called on to make large provision for barracks, depots, and store accommodation, to say nothing of munitions and equipment, which would have required sacrifices in other directions. Further, the necessary staff of officers and N.C.O.'s. for the training of the new troops would have had to be produced. This also would take time, and though in war improvisation may be relatively rapid, in peace these indispensable factors could not have been created except over a period of years. The best opinion was that it would take at least 15 years to complete the system, and that during half that time we should be appreciably weaker than before. Conscription was a possible policy, but from the military point of view only possible during a period of assured peace, and to the military mind no such period could have been designated between 1906 and 1914. In fact, if conscription was necessary for the salvation of the country, it should have been adopted certainly not later than 1899. These are the reasons which are believed to have determined the War Office of the day to content itself with bringing the Expeditionary Force to the highest point of efficiency and developing the Territorial Force as a second line army within the limits of the voluntary system.

Preparedness of the Navy.

The preparedness of the Navy has never been seriously impugned. Differences of opinion among experts as to the relative value of types of vessel have always existed and have shown themselves during as well as before the war; but on the main question of the power of the Navy to seize and keep the command of the sea there has been no controversy. Occasion favoured us in that the first threat of impending danger found the Fleet already mobilised, but the foresight of Mr. Churchill and the then First Sea Lord improved the occasion. Since then it has not failed in its task of imprisoning the German High Seas Fleet, and thereby maintaining uninterrupted our communications and assuring the transport of troops and supplies to Europe and the Eastern theatres of war. As Mr. Balfour said on 1st July, 1915, in a letter addressed to the *New York World*:—

“If anyone desires to know whether the British Fleet has, during the last year, proved itself worthy of its traditions, there is a very simple method of arriving at the truth. There are seven, and only seven, functions which a Fleet can perform:—

1. It may drive the enemy's commerce off the sea.
2. It may protect its own commerce.
3. It may render the enemy's fleet impotent.

4. It may make the transfer of enemy troops across the sea impossible, whether for attack or defence.
5. It may transport its own troops where it will.
6. It may secure their supplies ; and, in fitting circumstances.
7. It may assist their operations.

"All these functions have so far been successfully performed by the British Fleet. No German merchant ships are to be found on the ocean. Allied commerce is more secure from attack, legitimate and illegitimate, than it was after Trafalgar. The German High Sea Fleet has not as yet ventured beyond the security of its protected waters. No invasion has been attempted of these islands. British troops, in numbers unparalleled in history, have moved to and fro across the seas, and have been effectively supported on shore. The greatest of military powers has seen its Colonies wrested from it one by one, and has not been able to land a man or a gun in their defence. Of a fleet which has done this we may not only say that it has done much, but that no fleet has ever done more."

These words are equally true in 1918, except that the blockade of the Central Powers has been made more complete.

It only remains to point out that the Navy was brought to this high degree of efficiency in respect of ships, armament and men under successive Liberal Administrations, and that it was the addition of the capital ships laid down by Mr. McKenna that gave it its great superiority of strength. This was maintained and increased under Mr. Churchill. The record of the Estimates, which stood at £35,000,000 in 1905-6, at £40,000,000 in 1910-11, and at £51,500,000 in 1914-15, proves in cold arithmetic that during these years no effort was spared to place our naval supremacy on an unassailable foundation.

In conclusion, it must be repeated that, though prepared for war, like every other nation engaged we were unprepared for a war on the present scale. Our Army was small, but corresponded to our Imperial needs. Our Navy was supreme, and its size and strength were calculated according to the same needs. The small army was fully prepared for its allotted task as never before in our history, and provision had been made for its expansion through a properly organised second line. The governing principle of our military establishments was and is that alone of the European nations we are an Island Power with an Empire whose highways are waterways. The Expeditionary Force has won for itself an imperishable glory ; but in the last analysis it is the invincible Navy that has maintained the security of the Empire, and at the same time safeguarded the liberties of Europe.

XVI.—SCOTTISH TOPICS.

BY SIR EDWARD PARROTT, M.P.

The exigencies of space forbid an elaborate examination of those special Scottish topics to which platform attention must be given at the ensuing election. Happily they are few in number. Such subjects as Education, Temperance and Housing are non-controversial, and therefore need not be treated in detail. The new Education Act was largely an agreed measure; but Liberals may fairly claim that they played the largest part in retaining an *ad hoc* authority for local administration and in improving of the Bill in various other ways. The Scottish Temperance Act which comes into force in 1920 is generally regarded as a model Act, which England would do well to copy, especially as it embodies, for the first time, the full application of the principle of local option. Thanks to the admirable report of the Commission on Housing—a mine of information on every aspect of the question—public opinion on this vital question has been widely aroused, and any forthcoming legislation will mainly follow the recommendations of the Majority Report. Candidates will find everything they need for their speeches in the pages of the Report referred to.

The only controversial issues upon which it is necessary to enlarge are Scottish Home Rule and various aspects of the Land Question.

Scottish Home Rule.

The demand for a subordinate Parliament dealing with Scottish affairs on Scottish soil and according to Scottish ideas has long been a national aspiration. For many years Scottish Liberals have waited very patiently for the establishment of Irish Home Rule, as the first step towards a federalised system for the British Isles. While they still cherish the hope that we may be able to go to a Peace Conference with clean hands as regards the “distressful island,” they are not now content to see a measure of autonomy for Scotland indefinitely postponed. Many Liberals urge that a beginning of the Federalised system should be made north of the Tweed, where none of those bitter religious and political differences which have so tragically wrecked Irish Home Rule obtain.

During the war Scottish Home Rulers have received a remarkable accession of strength, and many thousands of citizens whose interest in devolution was formerly academic are now ardent partisans. The gross ignorance of Scottish conditions and customs exhibited by those who administer the various “controls” from London have exasperated traders all over Scotland and in some cases have almost provoked them to mutiny. They are now convinced that nothing short of a Scottish Parliament sitting in Scotland can satisfy Scottish needs. At the forthcoming election every Liberal candidate will have to advocate an early measure of Scottish Home Rule and that with no uncertain voice.

The question scarcely needs argument. Every general plea for devolution applies to Scotland with especial force. Under the most favourable Parliamentary conditions a composite House of Commons cannot possibly spare the time to do her legislative justice, and under a Tory Government her condition is miserable in the extreme. According to strict arithmetical proportion, Scotland with her 72 members is only entitled to about one-ninth of Parliamentary time. Every year Imperial affairs bulk more and more in Parliament, and the consequence is that Scotland gets far less than her fair share of legislative attention. She is a predominantly Liberal country, and Scottish members under a Liberal Administration have been very reluctant to exercise Parliamentary methods of duress for the purpose of forcing the chiefs of the party to give the time necessary for Scotland's needs.

Under a Tory Government Scotland's authentic voice is not heard at all, and such legislation as is proposed embodies the views of the minority of the Scottish people. In 1904, under the last Tory Administration, the only piece of purely Scottish legislation which found its way to the Statute Book was an Act for the Preservation of the St. Kilda Wren!

There is no financial difficulty such as obtains in the case of Ireland. Mr. Murray Macdonald, in the admirable work which he and Lord Charnwood have produced on the Federal Solution, points out that "the respective contributions of England and Scotland to the Imperial Exchequer in the financial year 1912-13 were £154,389,000 and £19,950,000 respectively. Of these sums £71,289,000 in the case of England and £8,309,000 in the case of Scotland were derived from direct taxation, that is, from Estate Duties, Stamps, Land Tax, House Duty, Income Tax and Land Value Duties. The English Civil Government charges, which are the charges that would fall upon an English Parliament in a federal system involving a distribution of general legislative and administrative powers, amounted in the same year to £40,767,500; while the charges in the case of Scotland amounted to £6,751,500. Obviously, therefore, the English and Scottish Legislatures could meet their revenue requirements within the domain of direct taxation."

Control of the Administrative Departments.

Not only does Scotland suffer from legislative anæmia under present conditions, but she is afflicted with an almost entire paralysis of control over her administrative departments. The Secretary for Scotland is, in the language of comic opera, the Pooh Bah of the northern Kingdom—the Lord High Everything Else. He is in parliamentary control of every Scottish Department, and everyone agrees that his task is utterly beyond the powers of a single human being, however notable his ability and industry. The result is that Scotland is run by an almost uncontrolled bureaucracy which is practically independent of Parliamentary control and is proof against the salutary discipline of effective public opinion.

The office of Secretary for Scotland was only established in 1885. Prior to that time the sole representative of Scotland at Westminster was the Lord Advocate, who exactly realised the boast of James VI., four years after his departure for England: "Here I sit and govern Scotland with my pen; I write, and it is done, and by a Clerk in Parliament I govern Scotland now." The ignorance, inattention and delay of the central authorities in London and the impotency of the Lord Advocate to get his Bills passed was too glaring to be ignored. In 1884 there was a great national agitation and at

an impressive meeting held in Edinburgh the following resolution was passed : " That in the opinion of this meeting more satisfactory arrangements for the administration of Scottish affairs are imperatively required ; that the increasing population and wealth of Scotland make its proper administration most important to the Empire, while its marked national characteristics and institutions and separate educational and legal systems render it impossible satisfactorily to govern Scotland solely through the Home Office and other existing Departments of State, already fully occupied by the affairs of England, and that, therefore, Government should create a separate and independent department for the conduct of distinctively Scottish affairs, responsible to Parliament and the country for its administration."

On August 14th, 1885, an Act for the appointment of a Secretary for Scotland received the Royal Assent. The scope of the Act may be gathered from a list of functions transferred to the new office : Poor Law ; Lunacy ; Public Health ; Wild Birds Protection ; Public Works Loans ; Fishery Board ; General Register House in Edinburgh ; Registration of Births, Deaths and Marriages ; Vaccination ; Marriage Notices ; General Police ; Burgh Police and Improvement ; Division of Burghs into Wards ; Markets and Fairs ; Prisons ; Public Parks ; County General Assessment ; Turnpike accounts ; Roads and Bridges ; Locomotives Regulation ; Sheriff Court Houses ; River Pollution ; Burial Grounds ; Food and Drugs ; Artisans' and Labourers' Dwellings ; Local Taxation Returns ; Alkali ; Salmon Fisheries ; School Sites ; Parliamentary Divisions ; Assessor of Railways and Canals ; Universities of Scotland ; Board of Manufactures ; Scotch Education, etc. And since those days the large field of Agriculture has been added to this gargantuan list. Not even Solon himself could properly administer such a mass and variety of public services. No one will deny that the office is absurdly overweighted.

Since 1884 the population has greatly increased, the industrial and commercial progress of the country has markedly advanced, the growth of towns, especially in mining districts, has raised many and urgent questions of local government—public health, water supply, sanitation, capital expenditure, police, poor law and so forth. The land question is acute and will become more so after the war, while Scottish housing is in a deplorable condition and cries aloud for drastic improvement. The present method of dealing with Scottish affairs is hopelessly out of date, and there is scarcely a Scottish Burgh which has not declared that the only solution of the problem is Scottish Home Rule.

Scotland's Claims.

Scotland claims with justice that she is the most advanced of the four nations forming the United Kingdom. Her people have every right to consider themselves the best educated, the most politically instructed and the most free from the cramping shackles of Conservatism in thought and action. They are proverbially loyal, cautious and far-seeing. What, then, hinders the immediate application of a Home Rule system ?

In Scotland there are grave evils which can only be dealt with by Scotsmen. Take the question of depopulation. Since 1905 Scotland's loss by emigration actually exceeds that of Ireland. In 1910 no fewer than 58,384 Scottish people abandoned the land of their birth. At the present moment

Scotland contains fewer cultivators of the soil than any other country in Europe. Prior to the war, Denmark, with half the area and a little more than half the population, with a worse soil and a somewhat similar climate, had 510,000 agricultural workers, while Scotland had but 200,000. Every year, prior to the war, more and more Scottish land was going out of cultivation, and outside the coal and iron area the country bade fair to become little more than a vast game preserve. Scottish Liberals believe that the land problem in Scotland is so complicated and so utterly unlike that of England that only a Scottish Parliament can adequately deal with it. The same is true of her housing problem.

Scotland needs a Renaissance and Scottish Liberals believe that a Scottish Parliament will accomplish it. They believe that a Scottish Parliament will give Scotland legislation more carefully considered, better in quality and better adapted to her needs, as well as a more economical and efficient administration. Finally, they believe with De Toqueville, that a centre of vigorous political activity in their midst will react on the intellectual life of the land and produce a new birth in literature, art and science.

The Land.

Nowhere in the British Islands is popular interest in questions of Land Reform more vivid than in Scotland, and nowhere are audiences, whether in town or in country, more eager to lend assent to sound proposals which will make the land more accessible to competent labour. Everywhere the principle is recognised that the interest of the people in the land is paramount and that neither sentiment nor tradition, nor the supposed sacredness attaching to landed property can be permitted to stand in the way of its fullest utilisation in the national interest.

Taxation of Land Values.

In no part of the British Isles has the principle known as the Taxation of Land Values won such widespread popular assent as in Scotland. By the Taxation of Land Values is meant an annual tax or annual rate on the value of all land, urban and rural, apart from improvements, and the remission, as far as possible, of taxation upon buildings and improvements in order that industry may not be penalised. Land Value is a just source of revenue, for it is in the main socially created and the community is entitled to take of right that which belongs to itself. The economic effect of taxing Land Values would be to beat down land monopoly, which now finds expression in the exorbitant prices demanded for land—prices which are glaringly in excess of the value at which it is assessed for rates and taxes.

The policy, thus outlined, is urgent in Scotland. The report of the Royal Commission on Housing teems with instances of outrageous prices demanded for land required for building purposes, public services and town amenity. Feuing rates in the smaller burghs vary from five to thirty times the agricultural value. In the larger cities they rise to a hundred times the agricultural value, and more. In Dundee the prevailing rate is £80 to £120 per acre per annum; in Glasgow £200 to £300; in Edinburgh the same, though instances are given in which the price rises to £656 per acre. These are the rates for working class houses, and their natural consequence is congestion and overcrowding.

How the agricultural land, for which these prices are obtained, is taxed

appears from the White Paper 144 of 1914. The figures are for the year 1911-12 and give the facts for 190 Scottish Burghs. The following typical cases are worth close examination :—

		Annual rates paid per acre in respect of			
		Total area. Aeres.	Area of agri- cultural land.	Agricultural land.	All other land.
Glasgow (before extension)...	12,975	2,170	3/2	£160	
Edinburgh	11,416	3,072	11/7	£87.8	
Aberdeen	6,748	2,400	7/8	£60.15	
Dundee	4,826	2,116	5/10	£90.12	
Paisley	3,538	1,100	3/6	£52.10	
Greenock	2,940	970	2/9	£61.3	

It is obvious that a tax or rate on the market value of the land thus “ripening” or being held in speculation for building purposes would speedily bring down the outrageous prices now demanded.

Prices of Land for Public Purposes.

The prices charged for land needed for municipal purposes, education, gas and water schemes, are even more exorbitant. The Housing Commission quotes some figures for school sites in Edinburgh. In 1901 for a site at Comely Bank £4,850 per acre, equivalent to a feu of £242, was charged, though the surrounding fields are rated at not more than £5 per acre. In 1903 at Craiglockhart £3,573 per acre was charged for previously vacant land, not rated at all. In 1907 for vacant land in Gilmore Place the price paid was £8,410 per acre.

For the right of storing water in Loch Arklet and raising its level the Glasgow Corporation had to pay £19,115. Other expenditure, including arbitration, brought the cost to £31,900. The area affected was 381½ acres, of which 17 acres were purchased, the ownership of the rest remaining with the proprietor. These 381½ acres formed part of four hill farms extending to 11,500 acres, the gross rent of which was £700. The sum received by the proprietor was 831 years’ purchase of the rateable value; that paid by the Corporation was 1,387 years’ purchase.

For the land acquired for gas works at Granton, Edinburgh, £124,600 was paid for 105 acres rated at an average of £5 10s. per acre. The proprietor received 214 years’ purchase of the rateable value.

Even for land required for such national purposes as the provision of lighthouses, the landowner takes an unconscionable tribute. In 1900, when a portion of the Bass Rock was required for the erection of a lighthouse, a feu duty of £40 had to be paid for the barren, sea-washed granite on which it was to stand. In 1902 the island Hyskels was acquired for the same purpose at a price of £611 3s. 3d. In neither case had the land so taken been regarded as of any value for rating purposes.

High water mark was reached in the case of 10 acres of land with fore-shore near Greenock, needed by the Admiralty for the site of a torpedo depot. The rateable value was £11 2s. a year. The Admiralty paid £27,225, or 2,452 years’ purchase. Similar cases of extortion can be multiplied a hundredfold.

A word as to the effect of land monopoly on rural land. Owners claim

a monopoly value for land whenever it is required for more productive purposes, as witness the unexampled compensation awarded on all kinds of claims when the Board of Agriculture and the Land Court seek to enforce the establishment of small holdings. Such compensation would be rendered impossible were land taxed according to its market value. The same remedy applies in the country as in towns and the result cannot but be the same, viz., the destruction of monopoly in land. *

* For full list of useful publications on Land Values apply to James Busby (Scottish League for the Taxation of Land Values), 67, West Nile Street, Glasgow, or to A. W. Madsen (Edinburgh League), 24, Duke Street, Edinburgh. Specially recommended and procurable from the above-mentioned addresses are the following:—*The A.B.C. of the Land Question* by J. Dundas White, LL.D., M.P., and his other pamphlets, *Economic Justice, Land Values, Taxation and Feu Duties, Land Value Problems* and *Notes on Land Value Legislation in the Colonies*. *Outlines of Lectures on the Taxation of Land Values* by Louis F. Fost contains answers to many typical questions. Refer also to the *Report of the Scottish Land Enquiry Committee*, Chaps. 35-41.

Small Holdings.

The controversial questions relating to rural land mainly centre about Small Holdings. It is a commonplace nowadays that the maximum production from the soil can only be obtained by scientific intensive cultivation of small areas. The social aspect is equally important with that of food production. "A noble peasantry, their country's pride" can only be reared in vigour and independence—the latter a characteristic Scottish virtue—when men till the soil for themselves and reap the direct reward of every act of husbandry in which they engage.

"The call of the land" makes a special appeal to Scotsmen and the demand for Small Holdings is always far in excess of the supply. A large increase in the number of Small Holdings available, a greater facility for obtaining them, and readier and simpler means of securing the necessary capital, are imperative if more and more of our people are to be established on the land in the healthful and natural surroundings that make for a stalwart, vigorous and independent race.

In 1911 Scotland obtained a Small Landholders Act which promised much but has produced grievous and widespread disappointment. Since 1911 no fewer than 6,052 persons have applied for Small Holdings. Not one in ten of this number has been accommodated. Less than 10 per cent. of those desiring to set up as small farmers have been enabled to do so. Granted that many of the applicants were unsuitable, the provision of new small holdings under the Act, nevertheless, spells failure. This failure is partly due to inherent defects in the Act itself, and partly to ineptitude and want of tact in its administration. The clause in the Act permitting the landlord to appeal from the Land Court to a single arbiter, provided his claim for compensation amounts to £300 or over, has proved fatal. Claims of the most extortionate and fantastic character have been advanced, several of them for sums larger than the capital value of the subjects in question. Such fictitious claims have necessitated costly arbitration and have made the furtherance of schemes for moderately sized holdings impossible.

Further, an unwilling landlord can prolong negotiations almost indefinitely and can, also, re-let a farm after negotiations have been begun by the Board of Agriculture. Numerous other weaknesses in the Act are also apparent. The following amendments were approved at the recent Conference of the Scottish Liberal Association :

1. The distinction made between the "Landlord" and the "Statutory Small Tenant" must be abolished, and all occupiers of land within the limits of acreage and rent as defined in the Act must come into the full benefit of all its provisions.

2. That on the question of forming new holdings, or the extension of existing holdings, the whole matter must be left in the hands of the Land Court without appeal to the Courts of Law.

3. That a crofter should be encouraged to engage in any profitable subsidiary trade or employment, so long as such employment did not operate prejudicially to the cultivation of his croft, and that his engaging in any such trade or employment shall not in any sense prejudice his right under the Act.

4. That there shall be no appeal to the Court of Session from the decisions of the Land Court, not even on questions of law.

5. That in the case of a crofter dying leaving no successor, the croft shall not revert to the landlord without opportunity being given to let it to another applicant for its acquisition.

6. The tenants under the Act should have power to take or kill deer or game found upon the land occupied by them.

7. That tenants should have full power to elect as to cropping of their holdings whether of cereals, vegetables, fruit or other crops, or of the keeping of bees, poultry, or in other advantageous pursuits, so long as they are not detrimental in the interests of the land.

8. That the Land Court and Board of Agriculture have a representative elected on behalf of the Small Tenants to both the Land Court and Board of Agriculture, thereby securing greater confidence in the administration of these bodies instead of the one-sided composition presently existing. Every progressive Candidate will be on safe ground in pleading for an amending Act as an urgent need, if the Small Holdings movement is to attain dimensions of national importance.

Land for Discharged Service Men.

The Scottish Liberal Members of Parliament, realising the importance of settling discharged service men on the land, recently remitted to a Committee the investigation of the whole question. The following extract from this Committee's Report is worth attention :—

"In our view the claims of Scotland to a comprehensive scheme of land settlement are very urgent. Apart from the need of securing employment for men discharged from the Services, there is a very genuine 'land hunger' in Scotland, which is clearly indicated by the fact that the Board of Agriculture for Scotland have ten thousand applications for small-holdings and enlargements lying undisposed of. A large percentage of these applicants have been, or are, with the Armies in France, and they have had opportunities of witnessing the methods of small cultivation there which, no doubt, may have accentuated the desire that many of them have to obtain a direct interest in the cultivation of the land. There is also, in Scotland, a strong feeling that in justice to

these men plans should be formulated and carried into immediate execution for providing land for them in their native country rather than that they should be driven to emigrate to the Dominions or elsewhere. There is the additional consideration that as the majority of the applicants referred to were employed in agriculture prior to the war, they are well suited to form the medium of a definite State policy of land settlement."

The Committee concludes its report with a summary of its principal recommendations from which we extract the following :—

- (a) That the claims of Scotland to a scheme of land settlement especially in view of the conditions created by the war are urgent and that steps should be taken without delay to provide for the absorption into rural life of large bodies of men discharged or about to be discharged from the forces.
- (b) That this object can best be attained by the development of small-holding colonies with holdings of varying sizes, utilising where the conditions are suitable existing village communities throughout the country.
- (c) That the State should provide the expenditure required for the adaptation of land for small-holdings.
- (d) That provision should be made for the advance of capital for the equipment and stocking of the holdings to prospective settlers through the medium of a State-aided Land Bank.
- (e) That the spread of the co-operative movement, if necessary by the aid of the State, is an essential element in successful land settlement.
- (f) That great care must be taken in the selection of new settlers and that adequate steps should be taken to provide them with expert advice and instruction.
- (g) That properly organised subsidiary rural industries would add materially to the prosperity of the colonies of settlers proposed to be set up.
- (h) That the importance of afforestation as an auxiliary industry to Small-holdings in Scotland is a factor which demands the fullest consideration.

Candidates would do well to advocate strongly the scheme outlined above. Especially should they insist that no man who has faced death or mutilation for the salvation of his country should be compelled to expatriate himself because he desires to increase the national wealth and to rear his children for the nation's service in the pure invigorating air of his native land.

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